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NEWSPAPER

November 5, 1990

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Advertising Age

Crain's International Newspaper of Marketing • In Two Sections • Section 1 • $2.00 • $2.50 in Canada • £3.50 in U.K.

WARNING: Political Advertising Can Legally Distort The Truth.

AD REVIEW and another fusillade of mali-

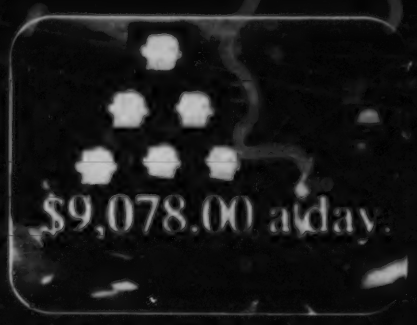
the nation in a crossfire. This isn't pack-

catches on, if it ever does, the moment for

passed." —Bob Garfield's election-eve re-

The Detroit News
"Sen. Levin ... owes it to his country to resign from the Senate Armed Service Comm."
Saddam Hussein will fail,' Bush promises

Sen. Carl Levin (D., Mich.) is no agent of Saddam Hussein, but you'd never know that from challenger Bill Schuette's ad, which questions Sen. Levin's concern for American troops in the Persian Gulf.



Sen. Dan Coats (R., Ind.) has only had two years in the Senate, but challenger Baron Hill needed to nail him on something and he found it: six TV sets purchased for Sen. Coats' office.

A happy bumblebee gives a tour of a rose garden built for Illinois Gov. Jim Thompson, in Neil Hartigan's stinging attack on Gov. Thompson's former aide, Jim Edgar.

LAST MINUTE NEWS

Volvo, Texas near agreement

AUSTIN, Texas—The Texas attorney general and Volvo today are expected to agree to a settlement in state district court here requiring the Swedish car importer to withdraw TV and print advertising the state claimed was a hoax. The TV spot and magazine spread showed a Volvo relatively intact after a monster truck car-crushing competition that was filmed here in June. The investigation focused on allegations that Volvo rigged its car with steel reinforcements while weakening competitors' vehicles. Clyde Farrell, chief of the consumer protection division in the attorney general's office, said Volvo would run a corrective ad and pay the state $316,250 in investigative costs. The corrective ad, an open letter to Texas residents signed by Volvo President-CEO Joseph L. Nicolato, claims the film production company made the changes in the cars without Volvo's knowledge. Scali, McCabe, Sloves, New York, Volvo's agency, wasn't named as a defendant in the case.

Sky TV, BSB to merge

LONDON—Rupert Murdoch's Sky Television satellite service will merge with rival British Satellite Broadcasting, a Sky spokeswoman here said Friday. The new company, to be called British Sky Broadcasting, will be a 50/50 joint venture between Mr. Murdoch's News International and current BSB shareholders. The combined service will have five channels,

(Continued on Page 8)

INSIDE

As costs soar out of control, airlines trim marketing budgets and put pressure on agency profits.
Starts after Page 40.

'News' losing ads as strike takes hold

By Scott Donaton and Alison Fahey

NEW YORK—Skittish advertisers last week began pulling out of the embattled *Daily News* and beefing up spending in rival New York tabloids and radio as the strike against the paper moved into its second week.

The Tribune Co. paper, the nation's third-largest metropolitan daily, on Friday faced hostile strikers and union sympathizers who crowded around the Daily News building. The paper has been publishing since the strike began Oct. 25 but is suffering from circulation shortfalls due to strike-related distribution problems.

Daily News management and its nine striking unions offered sharply different accounts of the effects of the strike and a union-organized advertiser boycott on the paper last week.

A *Daily News* spokeswoman said advertiser support remained steady

"If [retailers] don't get . . . assurances . . . they are going to start pulling their bucks out."

but union representatives claimed that more than 70 retailers and marketers had yanked their ads.

The strike-produced newspaper remained fat with ads as the *Daily News* adjusted its ad rates to reflect circulation declines. Still, some advertisers—worried by union claims that as few as 200,000 copies of the 71-year-old paper were getting into readers hands or in a show of support for the unions—slashed spending in the *News*. The *News*' usual circulation is just over 1 million.

Daily News management "keeps telling us what they're printing, but I'm concerned with what the actual distribution and sales are," said Jack Cohen, VP-print/outdoor media buying for DDB Needham Worldwide. Mr. Cohen said the agency yanked schedules for two of its clients since the strike began but declined to name them.

Herman's World of Sporting Goods said it had pulled advertising from the *News* "until they straighten out their

(Continued on Page 67)

Agencies whittle staffs

Ayer to cut 10% as poor economy jabs industry

By Gary Levin and Jon Lafayette

In a sign that times are only getting tougher, several major ad agencies are restructuring managements and cutting staffs as they try to cope in a recessionary environment.

Following a trend set by many of their clients, both large and small shops are rethinking how to improve performance in leaner times while maintaining their financial footing.

Ogilvy & Mather, New York, and N W Ayer this week will announce major staff changes designed to streamline and operate more efficiently, agency sources said.

At O&M, four creative directors and four group account directors will be named to new executive-level positions, reducing the number of people who report to North American President Julian Clopet *(see story on Page 70)*.

Ayer is planning a 10% staff cut throughout its offices and will revamp its New York creative department by moving Patrick Cunningham, exec VP-chief creative officer, to a new worldwide slot. He will be replaced by two co-creative directors, whom sources identified as Keith Gould, now an exec VP, and Susan Read, currently an exec VP-executive creative director at Lintas:New York.

Sources also said Stanley Mattison, New York-based president-international and exec VP-administrative services for the parent company, is leaving.

Lesser changes are expected on the account management side, where Rodger Groves, one of four executive account directors, resigned to join J. Walter Thompson USA, New York.

Ayer confirmed Mattison's departure but would not confirm the other staff moves. The agency denied staffing cutbacks would amount to 10%.

Bozell this week also is expected to

(Continued on Page 70)

'Dances' joins film efforts to target ads

By Marcy Magiera

MOVIE MARKETING

Orion Pictures is jumping on the trend toward narrowly targeted movie marketing with its newest release, "Dances With Wolves," the epic western from star Kevin Costner.

For "Dances With Wolves," about a young soldier torn between the Union army and the Sioux tribe, Orion is launching a radio campaign in several American Indian languages.

A portion of dialogue in "Dances With Wolves" is spoken in the Lakota Sioux language, with English subtitles. The film opens on a limited basis Nov. 9 and nationally Nov. 21.

Warner Bros., 20th Century Fox Film Corp. and Universal Pictures have recently used targeted direct mail campaigns to give films an extra push with a particular group of consumers likely to see a new movie.

Orion and Paramount Pictures Corp. are showing film trailers in places other than movie theaters —on college campuses, in video stores and on TV screens at consumer electronics retailers.

Studios are being attracted to non-traditional media to differentiate themselves and the films, said Simon Kornblit, Universal's exec VP-worldwide marketing.

"Just [like] the way you want to be different with creative, now we're trying to be different with media," Mr. Kornblit said.

"Dances With Wolves" is the kind of film that may have a tough time finding an audience in a holiday season packed with more commercial films, Hollywood observers say.

Though Mr. Costner, who also co-produces and directs, has considerable box office drawing power, the film's 3-hour length and genre may discourage some moviegoers. That's where target

(Continued on Page 67)

Ben Glass/Orion Pictures

Kevin Costner stars as a young soldier in the Indian epic "Dances With Wolves."

Questions surround L.A. Gear review Page 2 ▪ **What are viewers' favorite new TV shows** Page 3

NEWS SUMMARY

■ **Orion Pictures** has joined the movie industry trend toward non-traditional media and narrowly targeted audiences in promoting "Dances With Wolves." **1**

■ **Ogilvy & Mather** and N W Ayer are expected to join a growing list of agencies restructuring for efficiency. **1**

■ **American Express** has joined with MCI and US Sprint to offer cardholders 10% discounts on long-distance calls through the two services. **3**

■ **California Advertising Alliance** has been formed by advertising interests in the state to fight efforts to regulate or tax advertising. **4**

■ **New beverage products** shown at InterBev '90 include imported spring water and clear colas. **4**

■ **Time Warner** acquired full ownership of *In Health* and *Hippocrates* from Hippocrates Partners. **6**

■ **Business Month** was folded by Goldhirsh Group. **6**

■ **Cepacol** throat lozenges are being repositioned as relief for irritated throats in a new ad from Marion Merrell Dow. **16**

■ **Trade promotions,** including slotting allowances, account for an average of 16% of manufacturers' product introduction costs, an industry study says. **16**

■ **Royal Crown Cola Co.** will use comparative advertising against Coca-Cola and Pepsi-Cola next year. **20**

■ **Jamaica Tourist Board's** first new campaign in five years features reggae music inspired by Bob Marley. **22**

■ **NBC** is getting record prices for time on National Basketball Association telecasts, in contrast to losses elsewhere in the TV sports marketplace. **24**

■ **K mart** will introduce its new logo and other changes in TV spots featuring Chairman Joseph Antonini. **24**

■ **Sears, Roebuck & Co.** is the sole sponsor of a special *Time* issue devoted to women. **25**

■ **Nestle** will re-enter Germany's frozen-food market in January with Findus Lean Cuisine and Buitoni products. **42**

■ **Most major newspapers** showed circulation gains in the latest report from the Audit Bureau of Circulations. **48**

■ **"Creativity":** Frank Lowe, the world's greatest account man; profiles of set designers and cinematographers; and a guide to Eastern bloc locations. ("Creativity" is an *Ad Age* supplement available on request. Contact *Ad Age* Circulation, 965 E. Jefferson St., Detroit 48207. 1-800-992-9970.) *Starts after Page* **40**

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Green standards

States' report urges uniform federal guidelines

By Jennifer Lawrence

A multistate task force this week plans to unveil the first set of recommendations on environmental marketing claims.

The 50-page report is expected to be made public Nov. 8 and aims to encourage advertisers to adopt uniform guidelines when promoting green product benefits.

Although the 10-state task force will seek marketers' comments on the report, its publication nevertheless gives notice to marketers that certain green claims are considered misleading under state deceptive-ad-practices laws.

The document urges the federal government to develop national standards to define environmental claims. The states hope this report will lay the foundation for such standards.

Such development at the federal level appears stalled, meaning the states are likely to vigorously regulate green claims in the absence of federal initiative. Multistate investigations on green marketing claims have been under way since January.

"From the FTC's viewpoint, the commissioners have not yet decided if [green] guidelines are necessary," said Lee Peeler, associate director for advertising practices at the Federal Trade Commission's Consumer Protection Bureau. "All that has happened is that [Environmental Protection Agency Director William] Reilly said he would come to us and discuss it. We've both followed up, but there's nothing formal."

The report from the state attorneys general is said to be in three sections. The first is an overview of why the state attorneys general and federal agencies have become interested in examining environmental ad claims; the second summarizes testimony at a public forum on the subject held in St. Paul, Minn., in March.

The third and most important section provides general recommendations about the use of such terms as "ozone friendly," "biodegradable," "photodegradable," "recyclable" and "recycled." It also calls for developing a national regulatory scheme for environmental claims.

The multistate task force is being led by Minnesota Attorney General Hubert Humphrey III and his staff. The other nine participating states include officials from California, Florida, Massachusetts, Missouri, New York, Texas, Washington, Wisconsin and Utah.

"We prefer that these recommendations not be called guidelines," said Julie Vergeront, Minnesota special assistant attorney general. "Guideline is a loaded word. Instead, these are broad principles to provide interim guidance."

Ms. Vergeront said the states see the need for some companies to change their environmental claims, adding, "We feel there is confusion out there. The report provides an indication of practices we find troublesome."

Already, seven states have sued Mobil Chemical Co. for alleged deceptive degradable claims for its Hefty trash bags. Mobil settled with Texas and the other six suits are in litigation. About six other companies are under investigation for possible false green claims.

Ms. Vergeront emphasized the report will be distributed to marketers to obtain their comments.

The task force intends to avoid the problems associated with the National Association of Attorneys General air-fare ad guidelines distributed three years ago. In developing those national ad standards, NAAG angered marketers and ad industry groups that felt the federal government should set such standards. The courts upheld that view in the case of airline ad regulation (AA, Oct. 8). □

Steven W. Colford contributed to this story.

Shops shun L.A. Gear

By Marcy Magiera

L.A. Gear, already earning the reputation as a difficult client, is being dubbed "the Gallo of the south" by some California agency executives.

L.A. Gear has approached numerous agencies about handling the creative portion of its $68 million ad and promotion account. But by press time, the number of agencies that had declined to participate in the review outnumbered those that were planning to take part.

Los Angeles agencies Ketchum Advertising, Dailey & Associates and Rubin Postaer & Associates, as well as Goodby, Berlin & Silverstein, San Francisco, are believed to have refused L.A. Gear's offer to pitch.

BBDO Worldwide, Los Angeles, and San Francisco shops Goldberg Moser O'Neill and Mandelbaum Mooney Ashley are the only agencies that will definitely present speculative creative to L.A. Gear executives in mid-November.

Creative presentations will focus on a Super Bowl spot to introduce the athletic shoe marketer's Catapult technology, an L.A. Gear source said.

L.A. Gear late last week was still trying to persuade Hal Riney & Partners, San Francisco, and Fallon McElligott, Minneapolis, to take part in the review.

Foote, Cone & Belding and D'Arcy Masius Benton & Bowles, both Los Angeles, have also asked to be included in the review, but no decision has been made about letting them pitch. FCB's relationship with Levi Strauss & Co. is likely to keep the agency from participating, however. Besides athletic shoes, L.A. Gear also markets apparel.

Agency executives, many of whom said they couldn't be quoted about L.A. Gear because they had signed non-disclosure agreements with the marketer, are wary of the L.A. Gear account.

They're concerned that Exec VP Sandy Saemann, who in the past has created L.A. Gear's ads almost single-handedly, won't relinquish any creative control to an agency.

"I think they're basically looking to schmooze the financial community, to show they're less indulgent with Sandy Saemann."

Mr. Saemann didn't return phone calls.

Many agency executives also believe L.A. Gear will award a project to an agency in an effort to show Wall Street it's serious about making marketing changes but that the entire account will never materialize.

"They're sort of the Gallo of the south [southern California], aren't they?" said a principal of one agency that passed on the review, likening Mr. Saemann's control on L.A. Gear's advertising to E&J Gallo Winery Chairman Ernest Gallo's tight hold on Gallo advertising.

L.A. Gear executives "have made it clear [in the past] that they do not hold advertising agencies in high regard," said Phil Joanou, chairman-ceo of Dailey. For that reason, Mr. Joanou said he decided against pitching the account.

"I think they're basically looking to schmooze the financial community, to show they're less indulgent with Sandy Saemann," said Richard Groff, Ketchum's VP-strategic planning and development.

Like Gallo, L.A. Gear may keep handing out assignments as a way of getting its creative done, without ever awarding its account to one agency.

"When you get this assignment, you don't necessarily get the account," said one agency executive who last week approached L.A. Gear about joining the pitch.

"It's a total crapshoot" that any long-term relationship would come out of this, said an executive with another agency pursuing the account.

"We want to hire an outside agency," said Michael Albright, L.A. Gear's creative director. He said the company intends to assign its entire creative account, not just a project, to the agency chosen. The company once hired an outside agency, Ogilvy & Mather, Los Angeles, in 1986, but severed the relationship after a few weeks.

Though he acknowledged several agencies approached by L.A. Gear declined to pursue the business, Mr. Albright said he was "swamped" with calls from agencies seeking entree to the review.

"We're going to make a decision as quickly as possible," he said. Mr. Albright admitted that if L.A.

(Continued on Page 67)

Safety first!

Safety's the ticket when business travelers are deciding which airline to fly, according to an exclusive *Advertising Age*/Gallup Organization poll of 1,050 people. Pleasure travelers say an airline's safety record and ticket price are equally important factors when they select a carrier.

AD AGE GALLUP SURVEY

"I'm surprised the responses weren't 100% safety record," says James O'Donnell, chairman of Seabrook Marketing and a former airline marketing executive.

How average consumers form their impressions of an air carrier's safety record is uncertain, however, because this information typically is not a part of airline advertising campaigns.

"Consumers are rarely in a position to make safety judgments. They usually use the term as a proxy for airlines' overall reliability.

"We know price is the predominant factor for leisure travelers, but often they won't admit it," says Mr. O'Donnell. "Business travelers are largely price insensitive, but they, too, are often ashamed to admit they don't care about price."

"The pleasure travel results make . . . sense—that safety and price are two issues for someone who doesn't fly a lot," says Jack Trout, president of Trout & Ries, a marketing strategist. "The safety issue is tricky, because where do consumers get statistics on that?"

The economic and financial turbulence that some airlines are currently experiencing may be bringing consumers' safety concerns to the surface, Mr. Trout says. Safety "might be an issue because some carriers are losing money and people might worry about maintenance," the executive says. □

Just get me there in one piece!

Which factor is most important in your selection of an airline?

Factor	Pleasure travel Total	Men	Women	Business travel Total	Men	Women
Safety record	30%	26%	33%	19%	16%	22%
Ticket price	30	31	29	13	17	9
Schedule convenience	13	14	12	18	19	16
On-time performance	6	10	2	16	18	14
Frequent flyer program	3	4	3	4	5	4
Don't fly	12	10	14	23	20	26
Don't know/any/other	7	5	8	5	5	7

Source: Exclusive Gallup Organization/Advertising Age phone survey of 1,050 people. Respondent group makeup: 484 men, 566 women.

Advertising Age graphic: Holly Segura

Choosing A Test Market Shouldn't Be A Game Of Chance.

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THE SYRACUSE NEWSPAPERS
HERALD-JOURNAL ▲ Herald American ▲ THE POST-STANDARD

Agency pay squeeze tarnishes one of the big glamor accounts

High pressure one thing, but profitability crucial

An Advertising Age roundup

Airline ad agencies are facing the final indignity.

The pressures in servicing an airline account are legendary: quick turnaround on creative; placing local media in multiple markets; intense price competition; killer hours; stiff client demands.

The payoff for agencies was receiving a commission on billings that were big enough to alleviate the trauma. Now, as airlines talk of pulling in their ad budgets and restructuring commission packages to cut costs, that incentive appears to be evaporating.

For Young & Rubicam, New York, not even $70 million in billings could convince it to stick with Trans World Airlines. The agency resigned the account last month rather than settle for what it considered an unfavorable payment structure.

Joseph DeDeo, president-ceo of Y&R, says the agency would have sustained unacceptable losses if it were to continue carrying the account. "We were already losing money on this account," he says.

According to an internal Y&R memo, TWA was "an especially difficult account with some very restrictive cost and timing requirements for creative work."

Agency executives say most major airlines compensate their agencies on a commission basis, typically paying 10% to 12% of billings—although they tend to gravitate toward the low end of that range.

"I don't think anybody's going to make a windfall on an airline account," says Dominick Rossi, president of N W Ayer, New York, which last spring lost Continental Airlines and shut its Houston office. "But those days are gone anyway. You can't operate at 7% [commission]."

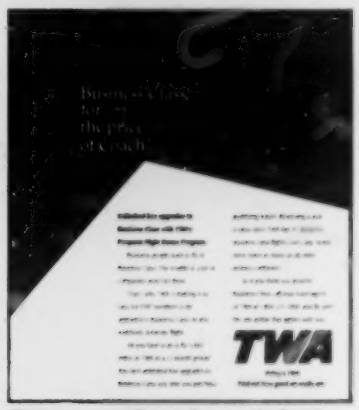
Mr. DeDeo doesn't necessarily blame the airlines for attempting to reduce costs. Deregulation, oil prices, mergers and acquisitions have saddled many airlines with enormous debt, he says.

"It's tough [for them] to make a buck," Mr. DeDeo says.

TWA is conducting a review for a small agency to replace Y&R. If that fails, the carrier may set up an in-house domestic agency and assign European advertising to a new outside agency.

Agency executives say that, given the financial conditions TWA wants to impose, the account is not very attractive.

"There may be an agency that would take it to get the new business. But their financial people and their creative people will hate them in the morning," says one agency executive.



TWA ads currently running are the last to come from Young & Rubicam, which resigned the account because it couldn't make money on a $70 million account.

Paul Gold, exec VP-account director on the American Airlines account at Bozell, Dallas, doesn't think many airlines will try in-house agencies.

"Airlines are basically looking to cut costs, and that kind of [in-house] operation does not cut costs," he says.

Alan Campbell, senior VP-group director of Ogilvy & Mather, New York, which handles Eastern Airlines, agrees economic problems will continue to reshape client-agency relationships.

"When [airlines] have problems, they make changes. They make changes in management, and [new] management makes changes in agencies," he says.

Although client-agency relationships appear stable at the Big 3 carriers—American Airlines, United Airlines and Delta Air Lines—management and ownership changes among many air carriers have created a round robin of agency hiring and firing *(see box below.)*

Despite the activity, airline marketing executives aren't anxious to switch agencies, even if the shop has experience in the category.

If there's trouble with the client's agency relationship, it's bet-

(Continued on Page S-10)

LOST IN TRANSIT

Airline account shifts may soon rival non-stop flights from O'Hare to LaGuardia in frequency. Here's a rundown of recent departures and arrivals:

- Young & Rubicam, New York, resigned the Trans World Airlines account. TWA plans to bring the account in-house or hire a small shop.
- Eastern Airlines replaced Lintas:New York with Ogilvy & Mather, New York.
- The Trump Shuttle account went to Great Scott Advertising, New York, after the carrier split from Scali, McCabe, Sloves, New York.
- Continental Airlines dropped N W Ayer for Wells, Rich, Greene, New York.
- In 1988, WRG left Pan American World Airways and was replaced by Della Femina, McNamee, New York, and Grey Advertising, New York. □

Spotlighting frequent-flier programs: Who spends the most, who leads the pack, who offers the most perks

AIRLINE	NAME OF PROGRAM	TOTAL FIRST-QUARTER AD SPENDING	ESTIMATED COST OF PROGRAM	AGENCY OF RECORD	FREQUENT-FLIER AGENCY	PROGRAM INITIATED	MEMBERS	TRAVEL PARTNERS/OTHER PROMOTIONAL TIE-INS Hotels/rentals/airlines/cruises	MILEAGE NEEDED (for free round-trip, continental U.S.)
AMERICAN AIRLINES	AAdvantage Program	$62.6 million	$15 million	Bozell, Dallas	Bozell and in-house	1981	More than 11 million	Hotels: Hilton Hotels, Inter-Continental Hotels, Marriott Hotels, Sheraton Resort, Wyndham. Car rentals: Avis Car Rentals, Hertz Corp., Ansa. Airlines: American Eagle Airlines, British Airways, Cathay Pacific, Singapore Airlines. Promotions: MCI Communications Corp. (earn five miles for each $1 in long-distance calling), Citibank Visa and MasterCard (earn one mile for each $1 charged)	20,000
UNITED AIRLINES	Mileage Plus	$47.3 million	$13 million	Leo Burnett USA, Chicago	MPI, Carson, Calif., a UAL subsidiary	1981	11 million	Hotels: Hilton Hotels, Hyatt Hotels and Resorts, Kempinski Hotels, Sheraton Resort, Westin Hotels and Resorts. Car Rentals: Alamo Rent-A-Car, Dollar Rent A Car, Hertz Corp. Airlines: Air France, Alitalia Airlines, British Airways, Iberia, KLM Royal Dutch Airlines, SAS, Swissair. Promotions: Mileage Plus First Card: Visa and MasterCard ($1 charged = 1 mile credit)	20,000 (includes flights to Canada or Mexico)
DELTA AIR LINES	Delta Frequent Flyer	$46.2 million	$9 million	BBDO, Atlanta	BBDO	1981	6.8 million	Hotels: Marriott Hotels, Hyatt Hotels and Resorts, Preferred Hotels Worldwide, Hilton Hotels, Hilton International, Trusthouse Forte Hotels. Car rentals: Alamo Rent-A-Car, Avis Car Rentals, National Car Rental. Airlines: Air Canada, Air New Zealand, Japan Air Lines, KLM Royal Dutch Airlines, Lufthansa German Airlines, Swissair. Promotions: none	40,000
CONTINENTAL AIRLINES CORP	OnePass (with Eastern)	$25.8 million	$12 million	Wells, Rich, Greene, New York	Lintas Campbell-Ewald, Warren, Mich., and Rapp Collins Marcoa, Dallas	1987	5 million	Hotels: Marriott Hotels, Astor Hotels, Radisson Hotels, Doubletree Hotels, Camino Real Hotels, Consort Hotels. Car rentals: National Car Rental, Thrifty Rent-A-Car. Promotions: none	20,000
EASTERN AIRLINES	OnePass (with Continental)	$20.4 million	$12 million	Ogilvy & Mather, New York	Lintas Campbell-Ewald, Warren, Mich., and Rapp Collins Marcoa, Dallas	1987	5 million	Hotels: Marriott Hotels, Astor Hotels, Radisson Hotels, Doubletree Hotels, Camino Real Hotels, Consort Hotels. Car rentals: National Car Rental, Thrifty Rent-A-Car. Promotions: none	20,000
NORTHWEST AIRLINES	WorldPerks	$26.7 million	$11 million	Saatchi & Saatchi Advertising, New York	Kotsar & Hartwell, Minneapolis	1983	5 million	Hotels: Hyatt Hotels & Resorts, Marriott Hotels, Radisson Hotels, Westin Hotels & Resorts. Car rentals: Budget Rent A Car, National Car Rental, Hertz Corp. Promotions: MCI Communications Corp. ($1 billed = 5 miles credit), WorldPerks Visa Card ($1 charged = 1 mile credit)	20,000
PAN AMERICAN WORLD AIRWAYS	World Pass	$25.7 million	$5 million	Della Femina McNamee, New York	in-house sales development group	1982	More than 1 million	Hotels: Sheraton Resort, Inter-Continental and Forum Hotels. Car rentals: Avis Car Rentals, Alamo Rent-A-Car, Dollar Rent A Car. Airlines: Pan Am Shuttle, Pan Am Express. Cruise lines: Carnival Cruise Lines, Crystal Palace Resort	20,000
TRANS WORLD AIRLINES	TWA Frequent Flight Bonus Program	$24.5 million	$12 million	Young & Rubicam, New York, through December	Y&R through December	1981	not available	Hotels: Trusthouse Forte Hotels, Adam's Mark Hotels, Marriott Hotels. Car rentals: Thrifty Rent-A-Car, Dollar Rent A Car. Airlines: Philippine Airlines, New York Helicopter, Air India, Air New Zealand, Alaska Airlines, Trans World Express. Promotions: Chase Manhattan Visa ($1 charged = 1 mile credit)	20,000
USAir GROUP	USAir Frequent Traveler Program	$15.9 million	$8 million	Earle Palmer Brown Cos., Bethesda, Md.	Earle Palmer Brown Cos.	1985	not available	Hotels: Hilton Hotels, Hyatt Hotels and Resorts, Marriott Hotels, Omni Hotels, Radisson Hotels, Stouffer Hotels and Resorts, Westin Hotels and Resorts. Car rentals: Hertz Corp., National Tiden Car Rental. Airlines: USAir Express, Air France, Air New Zealand, Alitalia Airlines, British Airways, KLM Royal Dutch Airlines, Lufthansa German Airlines, Northwest Airlines, Sabena World Airlines, Swissair. Cruise lines: Carnival Cruise Lines. Promotions: NCNB Credit Card ($1 charged = 1 mile)	20,000
SOUTHWEST AIRLINES	Company Club	$7.7 million	not available	GSD&M, Austin, Texas	GSD&M	1988	not available	none	Ten trips needed for membership, earn free trip after every eight trips

Sources: LNA Arbitron Multi-Media Service for ad spending; Randy Petersen, editor publisher, Frequent Publications, for estimated cost of program to airlines; numbers based on cost per member enrolled and are net after the exchange of income from partners such as affinity credit cards, car rental and hotels. Company sources for individual airline information. Information compiled by Sarah Polster.

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Agencies

(Continued from Page S-2)

ter to restructure people on the account than to make an agency change, says John Ruhaak, United's VP-advertising and promotion. "Changing agencies is hard work, and you lose ground for months while the new agency learns the business," he says.

Most new agencies are completely overwhelmed by the heavy volume of work and short turnaround time, says Michael Henderson, Eastern Airlines' staff VP-advertising and marketing communications.

The pace picks up even more when a competitor launches a fare initiative. "We have to order space and create well over 100 ads that need to run within four days," says Tom Morris, American Airlines' managing director-advertising and sales promotion. "The high intensity nature of the business puts pressure on the agency to perform."

Despite this, Mr. Henderson says agencies are drawn to the excitement of airline accounts, a statement agency executives confirm.

> "I don't think anybody's going to make a windfall on an airline."

FCB/Leber Katz Partners, New York, doesn't handle an airline account, but President Charles Taney says he'd like one.

"They're attractive on a couple of levels," he says. "The first is prestige; it's usually a great name to have at an agency. The second is the possibility of having spectacular creative. The third is . . . it's good volume and good revenue."

Mr. Campbell agrees, saying, "It's a major category, and the big ones spend big."

But he also says the costs to agencies are high, particularly in requiring more media people to service it. "When you're running spot or radio in 35 markets, that's where the cost factor comes in."

The expense can be offset by the visibility airline accounts bring an agency, Mr. Gold says. "On the other hand, I don't think there's an account more difficult in the entire advertising industry than an airline account." ☐

Ed Fitch wrote this story with contributions from Jennifer Lawrence, Gary Levin and John Lafayette.

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Newspapers show circulation gains

By Ira Teinowitz

Newspapers may be very worried about a recession's effect on advertising, but they also got some good news last week: generally strong circulation reports.

The Audit Bureau of Circulations' FAS-FAX report for the six months ending Sept. 30 once again had most major newspapers reporting gains, led by the *Constitution* in Atlanta, up 11.5% to a daily circulation of 316,793, and the *Los Angeles Times*, up 8% to 1,196,323. The Atlanta paper reported Sunday circulation rose 4.4% to 680,267, while the *Times* reported its Sunday circulation up 7.5% to 1,518,000.

Thirty-seven of the top 50 papers reported daily circulation increases, and 33 of the top 50 reported Sunday gains. Several of the top 50 couldn't be tabulated because of major publishing cycle changes or implementation of joint operating agreements since last year.

The report, however, contained some bad news for the already beleaguered *New York Daily News*. Six months after being forced to cede its claim as the U.S.' largest-circulation metro daily to the *L.A. Times*, the *News* lost its claim to being even New York's largest paper.

The New York Times took that title, boosted by a 3.8% gain in daily circulation to 1,108,447 and a 3.6% jump in Sunday circulation to 1,686,974. The *Daily News* saw its daily circulation slide 8.1% to 1,097,693 and Sunday circulation drop 1.5% to 1,401,403. The *Times* reported some of the gains came from a 13.8% boost in circulation of its national edition. The *New York Post* reversed its recent decline, with circulation up 0.5% to 510,219.

Thirty-seven of the top 50 papers reported daily circulation increases, and 33 of the top 50 reported Sunday gains. Several of the top 50 couldn't be tabulated because of major publishing cycle changes or implementation of joint operating agreements since last year.

Also reporting bad news was the *Chicago Sun-Times*, which saw its daily circulation slip 1.6% to 527,238 and its Sunday circulation drop 2.7% to 548,091.

Among others reporting losses: *The Milwaukee Journal*, down 3.7% to 265,461 daily and 0.1% to 505,074 on Sunday; the *Sun-Sentinel*, Fort Lauderdale, Fla., down 5.3% to 223,942 daily and 1.5% to 305,804 on Sunday; and the *Philadelphia Daily News*, down 3.0% to 225,063 daily.

The *Sun-Times* said its rate of decline is decreasing and noted that circulation decreases by the rival *Chicago Tribune* within the city had increased the *Sun-Times'* lead in the city on daily circulation and narrowed the *Tribune's* Sunday lead.

The *Sun-Sentinel* blamed price increases taken to avoid having to raise ad rates.

The latest figures include results from new JOAs in Detroit and Las Vegas, Nev., and the elimination of afternoon papers in Kansas City, Mo., and Raleigh, N.C.

The Detroit *Sunday News & Free Press* reported 1,239,417 circulation, down 18.5% from last year's 1,519,920 for two separate papers.

The circulation gains weren't entirely unexpected.

"Typically, the number of households is growing at a rate of 1% a year, so it's not a surprise that circulation is growing," said Al Golin, VP-director of research for the Newspaper Advertising Bureau. "It often is easier to gain in sales than in penetration."

Still, Mr. Golin said the gains may reflect the newpaper industry's recent intense focus on marketing.

"There is a new emphasis on marketing inside the newspaper industry that is starting to pay off," he said.

Several of the local papers also reported special local circumstances that led to gains.

The *L.A. Times* attributed as much as half its gain to the folding of the *Los Angeles Herald Examiner* last November. The *Times*, however, also noted that it introduced a faster-reading format a year ago and on March 12 introduced its fourth suburban regional version of the paper.

The paper also has been offering discounts to cable TV subscribers who get the Sunday edition. The *Times'* Sunday circulation rose 19% in Orange County, where the paper provides a localized TV guide for local cable systems and then offers cable subscribers initial discounts of up to 50% on Sunday subscriptions, said Jeffrey S. Klein, assistant to the publisher.

Officials at Atlanta's *Constitution*, however, said the only major change they had made was to be more aggressive in circulation marketing. They suggested that readers may have been drawn to the paper as a result of changes made by new Editor Ron Martin, formerly of *USA Today*.

"We have a newspaper edited by Ron Martin that people love to read," said Dennis Berry, president of Atlanta Newspapers. Mr. Berry also noted that some local news stories—including Atlanta's win in its bid to host the 1992 Olympics—helped sales. ☐

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Top 100 newspapers by circulation

Ratings based on Audit Bureau of Circulations information. Figures are for six months ending Sept. 30 compared with the same six-month period last year, except where noted. Where papers reported Monday through Thursday circulation and separately for higher-selling Friday papers, the figures are weighted averages of the two.

Rank	Newspaper	Circulation	% chg	Sun. circ.	% chg
1	Wall Street Journal	1,857,131	1.2	—	NA
2	USA Today[1]	1,427,604	2.2	—	NA
3	Los Angeles Times	1,196,323	8.0	1,518,000	7.5
4	New York Times	1,108,447	3.8	1,686,974	3.6
5	New York Daily News	1,097,693	(8.1)	1,401,403	(1.5)
6	Washington Post	780,582	1.0	1,137,034	1.0
7	Chicago Tribune	721,067	0.1	1,101,966	(1.9)
8	(Long Island, N.Y.) Newsday	714,128	2.0	731,170	1.4
9	Detroit Free Press[12]	636,162	1.6	1,239,417	NA
10	San Francisco Chronicle†	562,887	0.4	710,516	(0.1)
11	Chicago Sun-Times	527,238	(1.6)	548,091	(2.7)
12	Boston Globe	521,354	1.0	791,605	0.6
13	New York Post	510,219	0.5	—	NA
14	Detroit News[2]	500,980	NA	—	NA
15	Newark Star-Ledger	476,257	2.7	693,183	2.7
16	Houston Chronicle	442,044	1.0	620,779	4.2
17	Cleveland Plain Dealer	426,012	(1.3)	560,871	(0.3)
18	Miami Herald	414,646	0.4	520,075	0.8
19	(Minneapolis) Star Tribune	407,441	0.3	666,840	1.6
20	Dallas Morning News	397,555	4.0	585,950	6.1
21	St. Louis Post-Dispatch	382,381	1.5	561,630	0.7
22	Boston Herald	358,925	0.2	239,091	(3.1)
23	Orange County Register	353,637	2.8	406,696	2.8
24	(Denver) Rocky Mountain News	351,996	2.4	407,889	1.6
25	Phoenix Republic	330,706	2.5	517,212	1.7
26	Houston Post	328,671	1.0	370,449	0.9
27	St. Petersburg (Fla.) Times	324,982	0.6	424,432	1.9
28	(Portland, Ore.) Oregonian	324,163	4.4	431,989	4.5
29	Atlanta Constitution†	316,793	11.5	680,267	4.4
30	Buffalo News	306,714	(1.1)	378,574	(0.1)
31	Kansas City Star[3]	287,345	NA	415,717	0.2
32	New Orleans Times-Picayune	278,990	1.0	326,167	(0.6)
33	San Jose (Calif.) Mercury News	278,676	1.5	330,791	0.5
34	Orlando (Fla.) Sentinel	273,761	5.5	376,003	4.4
35	Tampa (Fla.) Tribune†	270,360	8.1	364,269	6.2
36	Milwaukee Journal	265,461	(3.7)	505,074	(0.1)
37	San Diego Union	265,246	(1.2)	436,225	(0.4)
38	Sacramento (Calif.) Bee	264,462	1.9	328,018	4.8
39	Fort Worth Star-Telegram	259,014	2.1	334,270	2.6
40	Columbus Dispatch	250,572	(0.6)	389,319	1.6
41	(Baltimore) Morning Sun	243,609	2.1	494,112	1.8
42	Denver Post	243,292	2.0	407,561	3.0
43	Charlotte (N.C.) Observer	236,802	0.1	298,749	1.0
44	Seattle Times	233,995	0.4	—	NA
45	Louisville Courier-Journal	233,714	1.2	325,443	1.0
46	Pittsburgh Press	231,910	(0.2)	564,402	0.3
47	Indianapolis Star	226,582	(2.7)	411,044	0.7
48	Hartford Courant	228,075	0.1	314,846	2.3
49	Dallas Times-Herald[4]	227,758	0.9	340,297	3.2
50	Philadelphia Daily News	225,063	(3.0)	—	NA
51	Fort Lauderdale (Fla.) Sun-Sentinel	223,942	(5.3)	305,804	(1.5)
52	Oklahoma City Oklahoman	221,585	0.6	326,284	3.0
53	Omaha (Neb.) World-Herald	220,050	0.4	284,223	0.0
54	Memphis Commercial Appeal	210,477	0.6	268,866	(0.5)
55	Des Moines Register	207,126	(1.3)	346,275	(1.9)
56	Seattle Post-Intelligencer†	205,357	0.9	510,290	1.3
57	Providence (R.I.) Journal-Bulletin	204,337	0.1	265,210	(0.1)
58	St. Paul Pioneer Press	202,705	1.1	261,557	0.2
59	(Los Angeles) Daily News	199,589	7.5	215,586	6.4
60	Cincinnati Enquirer	199,012	1.4	342,076	1.3
61	Atlanta Journal	191,811	5.7	—	NA
62	San Antonio (Texas) Express-News	185,589	3.9	273,227	2.8
63	Dayton (Ohio) Daily News	183,633	2.8	230,918	1.2
64	Jacksonville (Fla.) Times-Union	179,085	3.0	245,414	4.6
65	Milwaukee Sentinel	176,549	(1.0)	—	NA
66	Austin (Texas) American-Statesman	173,368	0.5	219,857	0.7
67	Birmingham (Ala.) News	169,660	(0.4)	207,138	0.4
68	West Palm Beach (Fla.) Post	167,193	5.2	212,129	4.1
69	(Baltimore) Evening Sun	166,684	(2.4)	—	NA
70	San Antonio Light	165,432	(1.0)	234,011	(2.8)
71	Westchester-Rockland (N.Y.) Newspapers	165,059	0.2	193,858	3.4
72	Pittsburgh Post-Gazette	162,520	(1.1)	—	NA
73	Asbury Park (N.J.) Press	159,629	6.0	228,140	4.0
74	(Bergen, N.J.) Daily Record	159,550	2.3	228,158	0.7
75	Riverside (Calif.) Press-Enterprise	154,764	5.0	163,246	4.8
76	Akron (Ohio) Beacon Journal	154,134	0.4	222,899	0.4
77	(Norfolk) Virginian-Pilot†	153,181	1.5	241,549	2.6
78	Toledo (Ohio) Blade	153,023	(1.6)	215,463	(2.2)
79	Raleigh (N.C.) News & Observer[5]	150,267	NA	184,226	(1.4)
80	Columbia (S.C.) State	145,528	2.7	172,936	3.3
81	Fresno Bee	145,169	(1.1)	179,731	2.0
82	Grand Rapids (Mich.) Press	144,800	1.2	191,095	1.4
83	Richmond (Va.) Times-Dispatch	143,141	0.7	259,093	3.7
84	North Jersey Newspapers	140,260	(0.3)	55,211	2.0
85	Allentown (Penn.) Call	136,435	(0.6)	181,784	(0.7)
86	San Francisco Examiner	136,346	(1.2)	—	NA
87	Las Vegas Review-Journal†[6]	135,311	NA	204,174	NA
88	Little Rock (Ark.) Gazette	134,414	(8.6)	213,112	(5.0)
89	(Long Beach, Calif.) Press-Telegram	132,898	3.8	153,183	2.0
90	Rochester (N.Y.) Democrat & Chronicle	132,603	2.5	260,322	2.1
91	Copley Los Angeles Newspapers	130,888	0.6	124,160	(0.5)
92	Little Rock (Ark.) Democrat	130,024	16.2	223,663	8.0
93	Tulsa (Okla.) World	125,037	1.2	241,878	1.0
94	Lexington (Ky.) Herald-Leader	124,000	1.1	157,908	2.5
95	Albuquerque (N.M.) Journal	121,030	2.6	158,078	2.8
96	Wichita (Kan.) Eagle Beacon	120,828	1.5	196,906	2.0
97	(Wilmington, Del.) News Journal	120,653	0.4	139,833	1.8
98	Worcester (Mass.) Telegram & Gazette†	118,192	(2.0)	135,891	1.7
99	Tacoma (Wash.) News Tribune	117,881	(0.8)	134,866	4.2
100	San Diego Tribune	115,673	(5.1)	—	NA

Notes: The Philadelphia Inquirer and the Nashville Tennessean did not file in time to make ABC's report. Figures for Omaha World-Telegram and Fort Worth Star-Telegram now combine AM & PM edition circulations, reflecting that advertising can no longer be bought for individual papers. Rochester N.Y. figures are 3-month averages. † USA Today reported Monday through Thursday circulation of 1,547,450, up 1.7% with circulation at the Friday weekend edition rising 4.0% to 1,748,218. [2] Detroit figures reflect differences following implementation of joint operating agreement Nov. 27, 1989 in which Detroit Free Press became AM paper and Detroit News became PM with joint paper published Saturdays and Sundays. [3] Kansas City figures reflect March 1 combination of AM Kansas City Times and PM Kansas City Star into an AM Kansas City Star. [4] Dallas Times Herald reflect Monday through Saturday comparison. This paper reported Monday through Friday circulation of 221,901. [5] Reflects elimination of PM Raleigh Times on Dec. 1, 1989. [6] Las Vegas numbers are for period starting July 1 and reflect switch of the Review-Journal to AM as part of a joint operating agreement that saw the formerly morning Sun become an afternoon paper. † Sunday paper under another name.

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NEWSPAPER

Advertising Age

November 12, 1990

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The continuing—and apparently deepening—

slump in the agency business has employees

at all levels worried about their futures in an

UNEMPLOYED

industry besieged by mergers, acquisitions,

major account losses and reductions in client

spending. *Ad Age's* Joe Winski talked to six

agency people who recently found them-

selves out of work and reports on how they're

coping in these hard times. See Page 28.

State evidence Exhibit 2: Shows B-pillar (the roof's middle structural support) being severed in a Ford Maverick.

Exhibit 4: Photograph depicts steel reinforcement placed inside a Volvo at the commercial shoot.

Exhibit 9: Photo shows "Bear Foot's" left rear tire being manually rolled over Volvo hood as cameras rolled.

Ad industry suffers crushing blow

Volvo faces FTC inquiry over rigged cars in 'monster truck' ads

By Raymond Serafin and Gary Levin

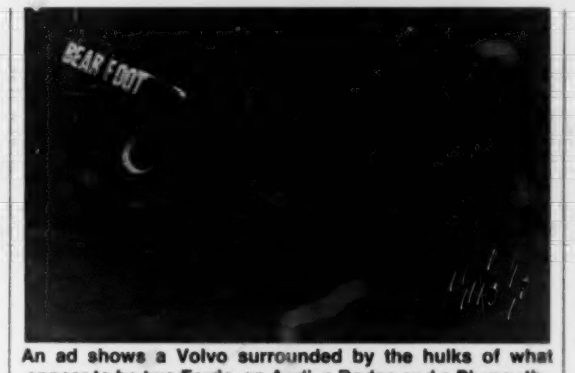
Advertising has sustained a swelling black eye in a rigged-demonstration scandal unlike anything to hit the industry since the 1960s and '70s.

Last week, Volvo Cars of North America admitted that cars were altered for a "monster-truck crushing" in agreeing to settle a lawsuit brought by the Texas attorney general. The case now threatens to mushroom as the Federal Trade Commission launches its own investigation.

Texas Attorney General Jim Mattox, in court papers, called the Volvo advertising "a hoax and a sham."

"We cannot afford a recurrence of this sort of thing," said Matthew Margo, CBS VP-program practices, whose office clears commercials for airing. "If this happens a few times, the entire system of trust is jeopardized."

"This is the iceberg, not the tip of the iceberg," Mr. Margo said. However, he added, the Volvo incident—even if isolated—remains a grave breach of ad industry standards that requires serious attention by the industry.



An ad shows a Volvo surrounded by the hulks of what appear to be two Fords, an Audi, a Dodge and a Plymouth.

Misuse of product demonstrations in the '60s and '70s led to a series of embarrassing, highly publicized FTC cases against such national advertisers as Campbell Soup Co. and Colgate-Palmolive Co. The Campbell case involved placing marbles in bowls of soup to make the food contents rise to the top.

Volvo last week ran corrective ads in 19 Texas newspapers, *USA Today* and *The Wall Street Journal* to explain the withdrawal of the ads and also reimbursed the attorney general's office $316,250 for investigative costs and legal fees.

With the rigged demonstration, Volvo has put at risk its longstanding reputation as "a car you can believe in," and Scali, McCabe, Sloves, New York, has put at risk a client relationship that dates from the agency's founding.

Following the announcement of the settlement, Volvo re-

(Continued on Page 76)

'National' shake-up

Control taken from publisher amid cost cutting

By Scott Donaton and John McManus

NEW YORK—*The National*, the fledgling sports daily, was hit by a sweeping management reorganization last week, with Publisher Peter Price giving up day-to-day control of the newspaper and three other top executives departing.

The newspaper also announced it would suspend publication of its Sunday edition and an unspecified number of layoffs was imminent as the paper seeks to cut costs in the face of a soft advertising market.

Sources at *The National* who asked not to be identified said between 10 and 40 staffers from both the editorial and business staffs might be dismissed.

Mr. Price retained his title as president and publisher of *The National* but vacated his office, said newspaper spokesman Stephen Hammond. Mr. Price's responsibilities in the revamped organization were unclear, but Mr. Hammond said Mr. Price would be "working on the big picture."

The sweeping changes were believed ordered by Mexican media magnate Emilio Azcarraga Milmo, who owns a majority stake in the daily sports newspaper and is said to be unhappy with its progress.

Mr. Hammond confirmed that Jaime Davila, group VP at Univisa, which is owned by Mr. Azcarraga, was brought to New York from Los Angeles to oversee day-to-day operations of *The National* about three weeks ago.

Sources speculated Mr. Davila will continue to look for ways to trim costs.

"We've been spending with abandon for a year now," a *National* staffer said. "It had to stop somewhere."

Before *The National's* January launch, Mr. Azcarraga and his partners said they were prepared to spend as much as $100 million over the next five years before the newspaper turned a profit.

Messrs. Davila and Price were unavailable for comment last week.

In addition to Mr. Price's reassignment, Circulation Director Diane Morgenthaler, Assistant Publisher Timothy Lasker and Finance/Administration Director Daniel Correa were dismissed last week, Mr. Hammond confirmed. No replacements were named at press time.

Mr. Hammond also said *The National* will suspend publication of its Sunday edition with the Nov. 25 issue because circulation was lower than expected.

The National also plans to cease publishing its twilight edition, which contained late-breaking scores and was distributed primarily to suburban areas, and will instead start publishing an "All-American" edition, said

(Continued on Page 8)

HDM doomed? Eurocom nears buyout, merger

By Jon Lafayette

The attempt by three of the world's biggest agencies on different continents to create a unique multicultural agency is about to end.

Paris-based Eurocom is expected to purchase all European shares of the three-way joint venture agency, HDM, and consolidate all its agency operations to form the largest network in Europe.

An agreement in principle with Eurocom's HDM partners, Young & Rubicam and Dentsu, is expected to be reached in the next two weeks, say sources familiar with the talks.

Under the agreement, Eurocom would become the sole owner of HDM's European agencies by buying out its partners' shares for between $80 million and $120 million.

Eurocom would also give up its share of HDM's U.S. and Asian operations, effectively ending the partnership that formed HDM, which currently bills about $2.6 billion worldwide.

Eurocom is expected to merge HDM's European offices with those of its Eurocom WCRS Della Femina Ball network to create what might be called Eurocom Advertising, sources say.

"They are going to have many client conflicts, and yes, they will lose some of them,

(Continued on Page 78)

LAST MINUTE NEWS

Saatchi, 'Spy' link?

NEW YORK—Saatchi & Saatchi Co. founder Charles Saatchi is leading a group of investors negotiating to buy a 51% stake in *Spy* for $4 million, publishing industry sources said. The humor magazine has been seeking a buyer since earlier this year (AA, March 5). London-based Saatchi & Saatchi declined comment. "A deal is close. It's going to happen," said *Spy* Publisher Thomas Phillips.

Nets set for Nielsen drop

NEW YORK—The Big 3 TV networks expect Nielsen Media Research to report an unexplained drop in TV usage levels again during the 1990-91 TV season despite efforts to improve the people-meter system. "Nielsen has still failed to explain the unprecedented variability that happened in the first quarter of 1990, and it is about to strike again," said Nicholas Schiavone, NBC's VP-media and market research. He's also chairman of the Committee on Nationwide Television Audience Measurement, a group of representatives from the networks and the National Association of Broadcasters. Privately, network

(Continued on Page 8)

INSIDE

Home computer sales: Market or mirage?
Starts after Page 38

Captain Planet flying high in licensing deals P. 4 ▪ **Chinese ads way ahead of Russians** P. 64

NEWS SUMMARY

Volvo Cars of North America, agreeing to settle a lawsuit brought by the Texas Attorney General, admitted cars were altered for a "monster truck crushing" ad scene. 1

■ ***The National*** sports daily last week was hit by a sweeping management reorganization. 1

■ **Eurocom** is expected to purchase all European shares of HDM from the other two partners in the agency venture, Dentsu and Young & Rubicam. 1

■ **Negative advertising** was largely successful in the recent election campaigns, observers say. 3

■ **Holiday liquor ads** will be less spectacular this season, with Absolut vodka a notable exception. 3

■ **Pert Plus'** marketplace success as a combination shampoo and conditioner has triggered similar products from Revlon, Helene Curtis and Unilever. 4

■ **Captain Planet** merchandise, based on the environmentally aware hero on syndicated TV, is due in stores later this month. Heavy marketing starts in March. 4

■ **Saturn dealers** say the soft-sell advertising for the new cars is attracting shoppers. 6

■ **Burger King** ran ads in more than 200 newspapers "supporting traditional American values on television," ending a boycott threat by a Christian group concerned about the type of shows on which Burger King had advertised. 16

■ **Ikea,** a Swedish furniture marketer, will name an agency to create a single pan-European brand image. 44

■ **France** is moving to enact legislation regulating advertising that would parallel European Community ad regulations, but would probably be more restrictive. 44

■ **Improved VideOcarts** are being tested in St. Louis, following earlier tests of the video screen-equipped shopping carts in Chicago, Atlanta and Los Angeles. 66

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■ **Ultra Clorox,** a superconcentrated detergent, will enter Western test markets next month. 73

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FNN draws suitors

Diamandis interested in troubled cable net

By John McManus

Publishing entrepreneur Peter Diamandis and several media companies may make bids for the financially beleaguered Financial News Network.

New management at Infotechnology, the owner of 47% of FNN, last week put the 24-hour cable TV business-news channel on the block. Cable industry sources said the asking price is $150 million to $200 million.

Media companies said to have expressed interest in FNN include Capital Cities/ABC, Dow Jones & Co., Hearst Corp., NBC, Paramount Communications, Tele-Communications Inc., Turner Broadcasting System, Time Warner, Viacom and Whittle Communications.

FNN is $50 million in debt and under investigation by the U.S. Securities & Exchange Commission for alleged bookkeeping irregularities that led to the dismissal of FNN's chief financial officer last month.

Still, TV industry analysts say FNN would be an attractive property, not only in its current format but for the asset value of about 35 million homes now under contract with cable operators to carry the channel through 1993.

"FNN is considered to be a good service and a very attractive property because of its extensive subscriber base," said a media analyst who asked not to be identified. "Their ability to sell depends on questions as to the extent of their financial problems, and to what degree the SEC investigation will raise concerns among prospective buyers."

Mr. Diamandis most recently was chairman of Diamandis Communications Inc., now Hachette Magazines.

When he left Hachette in September, Mr. Diamandis agreed to a no-compete clause barring him from magazine ventures until July. He said he has received more than 50 proposals for new magazines but is looking at other media, including FNN.

"Magazines are my first love, but I am looking at TV, radio and direct marketing," he said.

"There's been a significant expression of interest. . . . getting distribution to 35 million homes is very difficult these days."

Mr. Diamandis said if he were to buy the network, he would want its format to be entirely financial programming.

Hearst, expanding aggressively in its cable interests, last week announced it had acquired RJR Nabisco's 20% stake in ESPN for between $175 million and $200 million (AA, Sept. 10). A week earlier, it unveiled plans for a 24-hour regional cable news channel in Boston in a joint venture with Continental Cablevision.

"We've been looking at FNN for a long time and we continue to be interested in it," said Raymond Joslin, a Hearst corporate VP and president of the company's entertainment and syndication division.

FNN's principal competitor, Consumer News & Business Channel, has gained momentum in the past several months and expects to reach its goal of adding 10 million subscribers to its base of 16 million by yearend, said Thomas Rogers, president of NBC Cable, which runs CNBC.

"Given our momentum and the success of CNBC, it would be very unlikely that NBC would purchase FNN as a business news channel," Mr. Rogers said.

Last week, Infotech announced it had hired investment banking firm Wertheim Schroder & Co. to handle the sale of operations that include FNN and other Infotech businesses such as the 97%-owned United Press International wire service.

FNN and Infotech have said operating cash flows at the companies were insufficient to meet operating expenses or to cover maturing obligations coming due this year.

Infotech said in a prepared statement it hopes to find a buyer for FNN and its other business by yearend.

"What we're going through is a painful evolution in our development," said Michael Wheeler, FNN president. "There's been a significant expression of interest because the cable landscape is really in a supply and demand situation, and getting distribution to 35 million homes is very difficult these days." ☐

Ira Teinowitz contributed to this story.

B&H account may move

By Judann Dagnoli and Jon Lafayette

A high-level marketing strategy summit of Philip Morris USA executives left Wells, Rich, Greene's future on the $60 million Benson & Hedges account in doubt.

Philip Morris executives at a regularly scheduled meeting in Florida last week denied a published report that the Benson & Hedges account moved to Leo Burnett USA, Chicago, from WRG, New York. Burnett earlier was assigned Benson & Hedges DeNic, testing in Phoenix, Ariz., since Oct. 1 (AA, Sept. 10).

But one source at the meeting, while denying the move of the overall account, didn't offer long-term assurance to WRG.

"Not everything is secure forever," he said. "We're assessing everything."

The meeting's purpose, this executive said, was to map overall strategy for all the company's brands.

"Advertising is not even at the top of the list [of the discussions]," he said. "It's only one part of a larger decision about how you're going to run your business."

But a source close to the company said Philip Morris seems to be cutting back on advertising. So, the company could make a case for consolidating its cigarette agencies, he said, and WRG would be the loser if that happens. WRG's only Philip Morris account is Benson & Hedges.

Under that scenario, Burnett, agency for Philip Morris' Marlboro, Merit, Virginia Slims, Cambridge and Alpine cigarettes, would come out the winner.

WRG Chairman Ken Olshan said only that "we're still working for Philip Morris."

September's ascendency of William Campbell, 46, to president-ceo

"Not everything is secure forever. We're assessing everything."

of Philip Morris from senior VP-corporate planning seems to have initiated the tongue-wagging.

Mr. Campbell already has shifted domestic sales responsibilities from Vincent Buccellato, 44, to Michael Szymanczyk, 41, a Philip Morris newcomer formerly with Swift-Eckrich (AA, Oct. 29). Mr. Buccellato is now senior VP-marketing and sales for Philip Morris International.

Mr. Campbell also named Lawrence Wexler, 38, senior VP-planning and information systems, succeeding James Morgan, 48, now VP-marketing planning, Philip Morris Management Corp.

Although Mr. Campbell, who served as Philip Morris' top marketing executive from 1983 to 1989, is said to have close ties with WRG, even he wouldn't guarantee the security of the account at the agency.

"I'm a fairly rational, objective kind of guy and I do what's right for the business. That's the basis upon which any of those decisions [about agency changes] will be made," he said. "I'm not the chief marketing officer of this company anymore; I'm the chief executive officer."

Philip Morris is waiting for a new campaign from WRG, supposedly on the way since the agency barely managed to hold onto the account in October 1989.

Mr. Campbell said Philip Morris looks at Benson & Hedges as a regional brand with regional strengths. He also noted that both Benson & Hedges and Merit, under pressure from branded generic cigarettes, "have been doing a bit more promotion, and they've been doing it successfully."

Mr. Campbell also said Philip Morris' spending "is basically flat" this year.

He denied rumors that the company's volume gains are lower than in previous years, saying the company's volume and share "will be up a little bit more this year, actually, than last year. Certainly we'll be in line with expectations." ☐

Strictly business at key publishers

Low-end, in-home users told to look elsewhere

By Debora Toth

Despite all the sound and fury from major PC marketers, the home computer market signifies nothing to publishers of the leading computer magazines.

"Our clear focus is on the business market," says Sam Huey, group VP at Ziff-Davis Publishing Co., publisher of *MacUser* and *MacWeek*.

"The home market is an extension to the business market. Our readers could be buying computers for home, but for business use. We have no plans to add editorial space for low-end, in-home use," Mr. Huey says.

Others even dispute the existence of a home computer market.

"From our perspective, the home is not a market, it's a location," says Michael Kolowich, publisher of Ziff-Davis' *PC/Computing*. "The expenditure has to justify the need. The principal purpose [of buying a computer for the home] has to be business. Once in the home, other members may use it."

Adding editorial space for home users would be premature for these publishers, says Timothy McInerney, senior associate at consultancy McNamee Consulting Co. "Home users don't represent a significant part of the [computer]-buying audience."

Leading computer magazine executives seem willing only to provide limited editorial space for business readers who have computers at home—and continue to watch the market.

Macworld, a monthly published by Macworld Communications, is waiting to see how the lower-cost machines are accepted.

> "Home is not an issue. It's IBM's wishful view of the world."

"We're still evaluating the home market," says Dan Orum, VP-circulation and marketing.

If more people purchase these low-cost machines, he says, there may be more reader demand for home computer editorial. "If there's a gain in circulation, there'll be a gain in [home computer-related] advertisers."

PC Magazine, a Ziff-Davis every-other-weekly, in December plans a special editorial section in which it will review new home computers for the holidays.

"Surveys show that our readers extend their business day by using a computer at home," says Editor William Machrone.

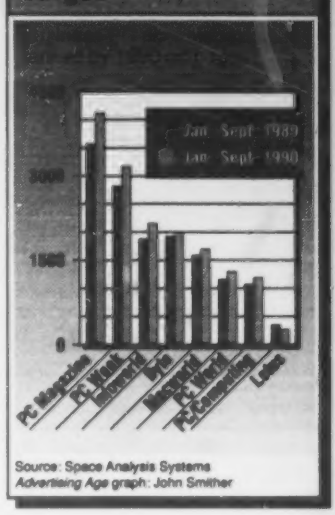
"The home market has always needed horsepower. But prices are way down, and it's an idea whose time has come. If we see growth, we may add more [editorial] pages [for the home market]."

At present, however, leading computer magazines aren't chasing the home computer market and its advertisers.

"Home is not an issue [for these magazines]," Mr. McInerney insists. "It's IBM's wishful view of the world." □

Free-lance writer Debora Toth is a frequent contributor to Special Report.

'PC Magazine' surges



Source: Space Analysis Systems
Advertising Age graph: John Smither

'PC Magazine' leads the pack

Top computer magazines by 1989 gross revenues ($000,000)

	Magazine	Publishing company	1989	1988	% Chg.	Publisher	Phone
1	PC Magazine	Ziff-Davis	182.8	134.4	36.0	Ronni Sonnenberg	(212) 503-5100
2	PC Week	Ziff-Davis	80.8	82.1	(1.6)	J. Scott Briggs	(617) 375-4000
3	Computerworld	International Data Group	70.3	66.9	5.0	Fritz Landman	(800) 343-6474
4	Byte	McGraw-Hill	55.8	46.2	20.6	Ron Evans	(603) 924-9281
5	PC World	International Data Group	46.7	41.2	13.3	Pat Kenealy	(415) 243-0500
6	Personal Computing*	VNU	46.4	42.9	8.3	Robert J. Lydon	(201) 812-1200
7	Computer Shopper	Ziff-Davis	44.8	29.4	52.7	Alicia Ivans	(212) 503-3800
8	CRN/Computer Reseller News	CMP Publications	43.3	NA	NA	Jeff Strief	(516) 562-5000
9	MacUser	Ziff-Davis	39.1	30.9	26.4	Bob Nolan (acting)	(415) 378-5600
10	MacWorld	International Data Group	36.7	28.5	28.6	James E. Martin	(415) 243-0505
11	InfoWorld	International Data Group	34.1	25.3	35.0	Jonathan Sackf	(415) 328-4602
12	PC/Computing	Ziff-Davis	30.2	7.1	326.0	Michael Kolowich	(617) 497-2400
13	CSN/Computer Systems News	CMP Publications	21.3	NA	NA	Mike Perkowski	(516) 562-5000
14	Datamation	Reed International	19.5	18.6	4.4	Mike Wisner	(617) 964-3030
15	InformationWeek	CMP Publications	18.2	15.7	16.0	E. Drake Lundell Jr.	(516) 562-5000
16	Network World	International Data Group	18.1	13.2	36.7	Gary Beach	(508) 875-6400
17	Digital Review	Reed International	16.5	12.4	33.7	William Dwyer	(617) 375-4300
18	MacWeek	Ziff-Davis	13.7	8.3	65.0	Michael Tchong	(415) 243-3500
19	MISWeek*	Capital Cities/ABC	12.6	11.3	11.1	Douglas DeCarlo	(212) 741-6471
20	Gov't Computer News	Reed International	11.9	11.2	6.3	Gary Squires	(301) 650-2000

*Ceased publication Source: *Ad Age* 300

Ad dollars surge in '89

Top computer magazines by 1989 ad revenues ($000,000)

	Magazine	1989	1988	% Chg.
1	PC Magazine	147.3	106.1	38.8
2	PC Week	80.8	82.1	(1.6)
3	Computerworld	64.4	61.1	5.5
4	Byte	44.3	35.9	23.2
5	Computer Reseller News	43.3	NA	NA
6	Personal Computing*	36.6	32.9	11.2
7	Computer Shopper	35.1	21.1	66.4
8	InfoWorld	31.9	23.0	38.7
9	Macworld	31.5	23.8	32.4
10	PC World	30.7	28.1	9.1
11	MacUser	30.5	23.5	30.1
12	CSN/-Computer Systems News	21.3	NA	NA
13	Datamation	19.3	18.6	3.6
14	InformationWeek	18.1	15.6	16.1
15	PC/Computing	17.8	4.1	337.2
16	Digital Review	16.5	12.4	33.7
17	MacWeek	13.7	8.3	65.0
18	MISWeek*	12.6	11.3	11.1
19	Gov't Computer News	11.9	11.2	6.3
20	Network World	11.4	7.2	59.1

* Ceased publication Source: *Ad Age* 300

More dollars circulating

Top computer magazines by circulation revenues ($000,000)

	Magazine	1989	1988	% Chg.
1	PC Magazine	35.5	28.3	25.6
2	PC World	16.0	13.1	22.4
3	PC/Computing	12.5	3.0	311.6
4	Byte	11.5	10.3	11.6
5	Personal Computing	9.9	10.0	(1.2)
6	Computer Shopper	9.7	8.2	17.4
7	MacUser	8.6	7.4	14.8
8	Network World	6.7	6.1	10.4
9	Computerworld	5.9	5.8	0.5
10	Macworld	5.2	4.7	9.5
11	Infoworld	2.2	2.3	(2.6)
12	Datamation	0.1	NA	NA
13	Information	0.1	0.1	5.6

* Ceased publication Source: *Ad Age* 300

PC/Computing soars

Top computer magazines by subscription revenues ($000,000)

	Magazine	1989	1988	% Chg.
1	PC Magazine	27.2	20.2	34.8
2	PC World	12.9	9.6	34.4
3	PC/Computing	10.2	2.0	395.6
4	Byte	8.9	7.5	18.5
5	Personal Computing	7.7	8.2	(6.7)
6	MacUser	6.7	5.1	30.3
7	Network World	6.7	5.1	10.4
8	Computerworld	5.9	5.8	0.5
9	Macworld	4.0	3.4	14.9
10	Computer Shopper	3.6	3.2	10.9
11	InfoWorld	2.2	2.3	(2.6)
12	Datamation	0.1	NA	NA
13	InformationWeek	0.1	0.1	5.6

* Ceased publication Source: *Ad Age* 300

Mixed reviews on the stand

Top computer magazines by 1989 newsstand revenues ($000,000)

	Magazine	1989	1988	% Chg.
1	PC Magazine	8.3	8.1	2.5
2	Computer Shopper	6.1	5.0	21.6
3	PC World	3.1	3.5	(10.8)
4	Byte	2.6	2.8	(6.8)
5	PC/Computing	2.3	1.0	135.6
6	Personal Computing*	2.2	1.8	24.5
7	MacUser	1.9	2.3	(19.7)
8	Macworld	1.2	1.3	(4.6)

*Ceased publication Source: *Ad Age* 300

The race for readers

Top computer magazines by 1989 total paid circulation

	Magazine	1989	1988	% Chg.
1	PC Magazine	732,409	629,279	16.4
2	PC World	526,064	503,205	4.5
3	Personal Computing	487,702	406,170	20.1
4	PC/Computing	471,642	312,625	50.9
5	Byte	461,124	435,352	5.9
6	MacUser	300,566	239,122	25.7
7	Computer Shopper	291,528	249,140	17.0
8	Macworld	272,847	244,896	11.4
9	Computerworld	134,133	132,870	1.0
10	Network World	70,496	63,879	10.4
11	InfoWorld	22,413	23,018	(2.6)
12	Datamation	2,105	NA	NA
13	InformationWeek	1,021	967	5.6

*Cease publication Source: *Ad Age* 300

[illegible] leagues

Top computer magazines by 1989 paid subscribers

	Magazine	1989	1988	% Chg.
1	PC Magazine	604,918	504,882	19.8
2	PC World	432,211	404,709	6.8
3	Personal Computing*	426,486	457,006	(6.7)
4	PC/Computing	406,604	246,375	65.0
5	Byte	326,300	309,758	5.3
6	MacUser	248,220	190,444	30.3
7	Macworld	215,591	187,474	15.0
8	Computerworld	133,493	132,870	0.5
9	Computer Shopper	118,995	107,281	10.9
10	Network World	70,496	63,879	10.4
11	InfoWorld	22,413	23,018	(2.6)
12	Datamation	2,105	NA	NA
13	InformationWeek	1,021	967	5.6

* Ceased publication Source: *Ad Age* 300

Shopper hot on the racks

Top computer magazines by 1989 single-copy sales

	Magazine	1989	1988	% Chg.
1	Computer shopper	172,533	141,859	21.6
2	Byte	134,824	125,594	7.3
3	PC Magazine	127,91	124,397	2.5
4	PC World	87,853	98,496	(10.8)
5	PC/Computing	65,038	66,250	(1.8)
6	Personal Computing*	61,216	49,164	24.5
7	Macworld	57,256	57,422	(0.3)
8	Macuser	52,346	48,678	7.5

*Ceased publication Source: *Ad Age* 300

Graphics by John J. Bohorquez

Ikea mulls Euro shop

By Laurel Wentz

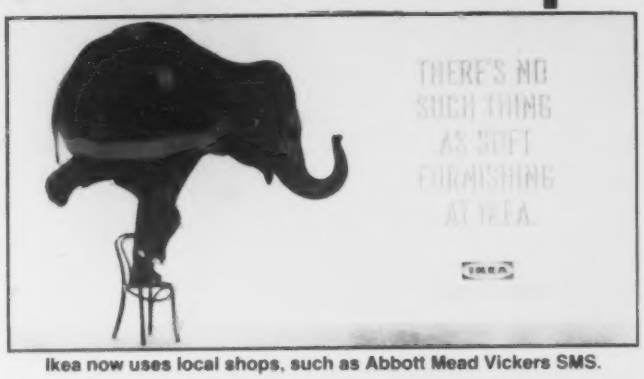
Ikea, the Swedish furniture marketer, wants to create a single European brand image and will name its first pan-European agency next month.

The budget will come from the $70 million Ikea now spends on local advertising in the 11 Western European countries where it has stores. The size of the effort won't be decided until after an agency is selected, said Ebbe Pele Jacobsen, retail manager for Ikea Germany and head of a European marketing council formed to select an agency.

The pan-European account "is going to be fairly limited at the beginning, but it will increase," Mr. Jacobsen said.

"It's corporate image advertising only," he said. "Everything else will be done on the local level. We've been working with eight different agencies in 11 countries and have probably eight different images."

Ikea is hearing presentations this month from McCann-Erickson Worldwide; Grey Advertising; Backer Spielvogel Bates Worldwide; Peyrat & Associes, Paris; Abbott Mead Vickers SMS, London; and Brindfors, Stockholm. The Swedish agency handles Ikea in the company's two biggest European markets, Germany and Sweden, plus Belgium. Abbott Mead Vickers and Peyrat are Ikea's agencies in the U.K. and France, respectively.



Ikea now uses local shops, such as Abbott Mead Vickers SMS.

Mr. Jacobsen said the uneven quality of Ikea's TV commercials and lack of a corporate image prompted the agency search.

"We were frustrated and distressed with our TV advertising," he said. "We had some of the best and some of the worst in Europe."

Retail advertising will continue through the local agencies.

In Germany, for example, Ikea last year spent $16.3 million on advertising, virtually all of it in print with only 3.2% for TV. Another estimated $7 million was spent on inserts and leaflets.

In the U.K., where Ikea has two stores and a $4 million ad budget, Abbott Mead Vickers has created both TV and print ads. TV spot shows a weeping woman who's just bought an expensive sofa and then discovers a similar, cheaper one in the Ikea catalog.

In France, where retail TV commercials are banned, Peyrat has created an outdoor campaign. On the left board, labeled "Before," a man is assembling a double bed. On the right board, labeled "After," he's putting together a baby's crib. □

Contributing to this story: Seth Chandler, Dagmar Mussey and Elena Bowes.

France races along with EC

Aiming at parallel '92 ad laws

By Bruce Crumley

PARIS—France is taking the lead in Europe in introducing national legislation parallel to proposed European Community laws regulating advertising.

Although plans to restrict alcohol advertising in France suffered a major setback last month, they could re-emerge. And a proposed law allowing comparative ads will be debated later this fall.

"France has a tradition of greater [government] control and direct involvement in matters [than] in other markets," said Andre Bernard, Brussels-based chairman of Lintas' Initiative Media International. "That may explain why France is in the forefront of the battle for regulation."

The EC is rushing to enact legislation to create a single European market by Dec. 31, 1992, and restrictions on alcohol advertising have been discussed at that level and a comparative advertising directive is being drafted.

French legislation under debate in the same areas enables the French "to show initiative and set a precedent and the possibility, for the future, to apply even more restrictive practices than are likely to come out of a directive," Mr. Bernard said.

A proposal passed by the National Assembly in June to ban all tobacco and virtually all alcohol advertising was defeated in the Senate Oct. 17. Under heavy pressure from wine producers, senators widened greatly the exemptions for alcohol advertising but passed the section banning tobacco advertising. The new bill will be returned to the National Assembly for debate.

"I think they'll have to pass something on this since they've made such a big deal out of it," said Rona Pashkin-Boyer, general manager at McCann-Erickson, "but exactly what will be exempted in the alcohol clause is anybody's guess. They are not about to penalize the French agricultural industry."

"This [legislation] is a bad answer to a real problem," said Alain Grange-Cabane, French Advertisers Association VP. "They are making the advertisers the scapegoats and avoiding the real causes of this kind of abuse."

The government estimates smoking and alcoholism account for 65,000 and 45,000 deaths per year, respectively. The alcohol marketers' lobbying group Entreprise & Prevention estimates that banning alcohol ads would result in an annual revenue loss of $79.2 million to the press alone.

Meanwhile, French Secretary of State for Consumer Affairs Veronique Neiertz won approval from the National Consumer's Council to draft a law to introduce comparative advertising.

Consumer studies indicate a majority of consumers favor regulated comparative advertising as a way to get more product information.

R. Paskhin-Boyer

"Almost all media and advertisers are against" comparative advertising, Mr. Grange-Cabane said, "because it never gives the full picture and leads the consumer to false conclusions."

Comparative advertising is banned in virtually all European countries. When Pepsi-Cola Co., for example, tried to bring the "Pepsi Challenge" taste test to Europe several years ago, Pepsi ended up in court in several markets.

"It's a morality question, because the information given in a 30-second commercial cannot be accurate. . . . Its use in the U.S. and elsewhere demonstrates this clearly," McCann's Mrs. Pashkin-Boyer said. "Also, French advertising deals with emotions, feelings and images, not with facts. If you have to cram ads full of information, you are going to lose this other aspect."

Despite the French actions, industry executives don't believe the goal is to head off pan-European legislation in Brussels.

"I think the government saw that the abuse of alcohol and tobacco is more frequent in France . . . and it wanted to take stronger action" than the EC, Mr. Grange-Cabane said. □

Coke tops in Americas

By Julie Skur Hill

Coca-Cola ads are the choice of a new generation of North and South Americans.

The ads ranked high with respondents to a one-time Gallup Organization survey last summer that asked which advertising seen in the past month first comes to mind.

Coca-Cola Co. ads were among the top six ads mentioned in seven of eight Western Hemisphere nations and were cited the most often in four countries.

Face-to-face surveys were conducted by Gallup and its affiliates in the U.S., Canada, Uruguay, Chile, Argentina, Brazil, Mexico and Panama. Dates of interviews and size of sample vary by country.

In all, 7,498 people were surveyed, with the margin of error varying from 2% to 7% by country.

Ads of archrival Pepsi-Cola Co. were named among the top six in four countries, and McDonald's Corp. appeared in the top six of two countries.

But none of those three made the top six in Brazil. Panasonic Co. and Sharp Corp. were the only multinational marketers to appear among the list of six in Latin America's largest market.

In the same survey, respondents were asked whether now is a good time to make major household purchases, and answers varied greatly across the two continents.

Canadians had the most optimism, with 43% saying now is a good time. However, nearly as many—40%—said major purchases should be postponed at this time.

In the U.S., Gallup asked the same question in surveys before and after the invasion of Kuwait. In July, 36% of U.S. consumers surveyed expressed optimism. By September, that number had dropped to only 30%.

U.S. pessimism grew in like measure. In September, 52% said major purchases should be postponed, up from 43% in July.

Opinions of Panamanians contrast greatly with their northern neighbors. Merely 8% of Panamanians said this is a good time to make major purchases; 59% said the opposite.

Attitudes in Uruguay and Brazil were the gloomiest, with 68% and 62%, respectively, saying now is not a good time to make major purchases.

Chileans were the most unsure about the current economic climate, with 54% volunteering the answer that this is neither the right time nor the wrong time to make a major purchase. □

CYNTHIA WATSON

WORLD NEWS ROUNDUP

■ **Mississauga, Ontario—Subaru Auto Canada** moved its $6.9 million account to Miller Myers Bruce DallaCosta from Robins Sharpe Associates, both Toronto.

■ **London—L'Oreal (U.K.)** introduced the Rayonnance haircare line in the U.K. McCann-Erickson U.K. handles the $6 million launch campaign.

■ **Frankfurt—Loewe Opta** shifted its estimated $3 million TV and video account to Lowe Luerzer from Hildmann Simon Rempen Schmitz SMS, Duesseldorf.

■ **Melbourne—Hertz Australia** moved its $3 million account to Harvie Advertising from Scali, McCabe, Sloves, part of Ogilvy & Mather. George Patterson Pty. also pitched.

Marketers study state guidelines

By Jennifer Lawrence and Laurie Freeman

National advertisers are reacting favorably to environmental marketing guidelines recommended by a multistate task force—except for a limit on disposability claims.

Specifically, the 10-state task force proposed that environmental claims relating to disposability shouldn't be used unless the advertised disposal option is available to consumers in the area in which the product is sold.

For now, this would severely limit the use of claims like "photodegradable," "biodegradable," "compostable" and "recyclable."

The task force, led by Minnesota Attorney General Hubert Humphrey III, released the preliminary recommendations late last week.

The disposability recommendation appears to limit advertising and promotion of the way a product can be disposed of to systems already in place in communities, said Robert M. Viney, associate advertising manager at Procter & Gamble Co. He said the guideline doesn't take into account recycling or composting systems that a community might develop in the future.

"Even if a package can't be recycled or composted today, consumers should have that information in a non-promotional way, like on a package, indicating that steps are being taken to make it possible to remove that package from a landfill in the future," Mr. Viney said.

Last month, P&G said it planned to spend at least $20 million on composting projects.

Melinda Sweet, director of environmental affairs at Lever Bros., said requiring that claims reflect current disposal options would be "incredibly cumbersome for manufacturers" and "confusing to consumers."

Lever said packaging is the appropriate place to put recycling messages such as "recyclable where facilities exist."

Further, marketers' nationwide distribution systems would make it hard to accommodate such a recommendation, since specific labeling would be designated by specific municipality, she said.

"We feel very strongly that this is an area we need to hammer out with regulators and environmentalists," Ms. Sweet said.

Still, P&G's Mr. Viney and Ms. Sweet said the attorneys general are on the right track in calling for a set of national environmental ad guidelines.

Until such national standards are developed by the Federal Trade Commission or Environmental Protection Agency, the states suggest marketers follow these voluntary recommendations:

- Environmental claims should be as specific as possible, not general, vague, incomplete or overly broad—such as "environmentally friendly" and "safe for the environment."
- Disposability claims shouldn't be made unless that disposal option is available in the area in which the product is sold.
- Green claims should be substantive—avoid trivial and irrelevant claims that give a false impression of a product's overall environmental soundness.
- Environmental claims should be supported by competent and reliable scientific evidence.

The task force will hear testimony on the recommendations on Dec. 10 and 11 in San Diego. Companies interested in testifying should contact by Nov. 26 Supervising Deputy Attorney General Albert Shelden, California Attorney General's Office, 110 W. A St., Suite 700, San Diego 92101. □

Consumers turning green: JWT survey

By Gary Levin

Marketers have only begun to tap the vast potential of green marketing.

That's the opinion of J. Walter Thompson Co.'s Greenwatch survey, which says companies can't simply slap an environmental claim onto a product; they must see it through a product's entire life cycle and communicate the philosophy to consumers.

"What is environmentally the right thing to do is becoming increasingly more the economically right thing to do," said Peter Kim, senior VP-executive research director at JWT USA, New York.

But he said marketers must move cautiously.

"Any company that prematurely jumps on the environmental wagon without being cognizant of environmental benefits or hazards of their product is asking for negative reaction from the public," Mr. Kim said. "One of the greatest disservices we can do is market [environmental claims] irresponsibly . . . because it will come back to haunt you even if there's a short-term gain."

JWT said that so far, the environmental emphasis by many marketers has been on disposability of both packages and products, such as McDonald's Corp.'s recent announcement that it will replace plastic foam packaging.

But the agency added that attention is now shifting toward the manufacturing process. For example, companies could help reduce harmful dioxins by not bleaching paper products such as toilet paper, tampons and coffee filters.

JWT's June telephone survey of 1,000 adults revealed major shifts toward environmentalism by consumers.

This year, an average of 82% of those surveyed said they'd pay 5% or more extra for environmentally friendly products, compared with just 49% in 1989. Of those surveyed, 84% would pay extra specifically for baby food, while only about 70% would pay extra for bottled water and disposable diapers.

Most marketers haven't fully capitalized on their newfound environmentalism, and negative perceptions far outweigh positives, the survey found.

Only 40% of those surveyed remembered advertising for any company that specifically mentioned environmental efforts; 34% remembered an ad that discussed a product's environmental safety; and just 14% said they could recall environmental advertising for a specific company.

On the other hand, 56% said they knew of companies whose actions had harmed the environment; 64% said they're less likely to buy from a company with a poor environmental record; and 27% said they've already boycotted a product because of such a record.

Attempting to ride the crest of the green movement, marketers are bringing out a huge number of what could be considered new green products.

JWT estimated that 520 products fitting that desciption will be introduced in 1990—roughly 9% of all new products—compared with 262 in 1989 (4.5% of new products) and just 24 in 1985 (0.5.% of new products). The vast majority are positioned as "body friendly," appealing to personal welfare, with fewer sold as animal-cruelty-free or as anti- water pollution, air pollution or solid waste.

JWT also identified four groups of U.S. consumers, ranging from the die-hard "greener-than-greens," at 23% of the population, to the unconcerned "un-greens," which amount to 3%.

In between are the somewhat-concerned "greens" (59%), who are willing to make some sacrifices for the environment, and the "light greens" (15%), who are concerned but unwilling to sacrifice.

Not surprisingly, the "greener-than-greens" tend to be better-educated older females with high incomes and liberal orientation, who say they're willing to pay more for environmentally friendly products.

The "un-greens," in contrast, tend to be younger, apolitical, less well-educated males, who earn less money, won't buy recycled products and say they "live for today."

Geographically, the Pacific Northwest is the most "progreen" region of the country, while the Midwestern Rust Belt was cited as the least concerned and least knowledgeable about the environment.

The study made these recommendations for companies that want to take advantage of the green movement:

- Get top management involved by developing an "in-house environmental knowledge base" to set green standards for your company. Make public your environmental intentions.
- Create an internal group of green advisers to evaluate the impact of your products from manufacturing to packaging to disposal.
- Develop a dialogue with environmental groups, seeking input, providing information and positioning your company as environmentally responsible.
- Get to know the "greener-than-greens." Identify new green product opportunities and advertise their benefits.

The ongoing survey, planned every three to four months on various green topics, was conducted for JWT by Knowledge Systems Research. Margin of error is less than 3%. □

How green are you?

J. Walter Thompson Co.'s Greenwatch study identified four groups of U.S. consumers.

Die-hard "greener-than-greens"	23%
Somewhat-concerned "greens"	59%
"Light greens"	15%
"Un-greens"	3%

Source: J. Walter Thompson Co.

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Andy deadline nears

NEW YORK—Deadline is Dec. 7 for entries in this year's International Andy Awards, sponsored by the Advertising Club of New York.

Ten media and 28 advertiser categories will be judged for creative excellence. Fees are $85 for a single entry, $115 for a campaign.

Contact: Madhu Malhan, director, or Gina Grillo, manager, International Andy Awards, 155 E. 55th St., Suite 202, 10022. Phone: (212) 750-5112. □

AD REVIEW

Minute Maid's Olympian effort nets first place in the tie-in race

(Rating: ★★★)

By Bob Garfield

Garfield

Only 604 shopping days till Barcelona. Why wait? Order now.

Yes, marketers, it's time to start thinking how you can invest untold sums on 1992 Summer Olympics tie-ins, so that, when the Games begin, you and 3,286 other companies can simultaneously boast about your singular support of our athletes and have your inspiring messages lost in a patriotic din.

Just be advised, however: Somebody is way ahead of you.

Coca-Cola Foods' Minute Maid line of juices, having committed its entire, two-year, $130 million marketing budget to a Summer Games tie-in, is not about to wait till the last minute to begin getting value. By the last minute, of course, I mean 1991.

Minute Maid is on the air right now with the first Official 60-Second Spot of the 1992 Olympics. Created by Lowe & Partners, New York, it opens at 5:14 a.m. in a shabby inner-city apartment, where Mom is waiting in the kitchen as her teen-age son jumps from his bunk bed to the floor.

The early bird gets the worm, the early riser gets to diving practice and the early Olympics tie-in advertiser—Minute Maid products—gets the marketing advantage.

"It's early, baby. Keep it down," Mom says, finger to her lips. "Don't wake your brother."

The boy grabs his gear and heads out. Then, over shrill street sounds, in an overwrought, metronomic delivery, the first of several voice-over narrators says, "To be, or not to be: that is the question." Ah, yes, Hamlet's soliloquy, the most famous passage in English literature. Apparently this young man has risen bright and early . . . to commit suicide?

No, after a percussive rap version of the next stanza ("Whether 'tis nobler," etc.), the boy treks across the gritty urban-industrial-fringes landscape to an indoor swimming pool, where he hits the 3-meter board and executes a crisp forward 2½ with a full twist. Splash.

Announcer: "Without help, our Olympic hopefuls may never get the chance to compete. Minute Maid would like to make sure they do, so, starting now, and for the next two years, we'll make a contribution to the U.S. Olympic Hopefuls Fund every time you buy a Minute Maid product. Before life takes these kids somewhere else, won't you help us take them to the Olympics?"

America's probable response: You bet!

In previous Olympiads, many advertisers have tied-in product purchase with contributions, enabling consumers to jingle their jingoism at the cash register. But, because the ads all hit at once, and all offered the same level of psychological benefit, their appeal was muted, to say the least. Miller, Budweiser and Coors all found ways to tie into the Olympics *somehow*, so who profited? (Answer: ABC, NBC and CBS.)

Minute Maid's is a pre-emptive strike against do-gooder dilution. By being first, it will establish its Olympic credentials before somebody else weighs in. By adding the Save-This-Youngster twist, it notches up the consumer's patrio-socio-psychological stake.

Apart from the pretentious perversion of Shakespeare and the standard patriotic heart-tugs, this is an ingenious invocation of Police Athletic League marketing: "If you don't save this lad, he's destined for a squalid life of street crime, drugs and inconsiderately waking younger siblings."

Sure, P.A.L. has used it, the Boy Scouts have used it, the Boys Clubs and Big Brothers of America have used it. But seldom before has a for-profit business used it—and certainly never one so rich in vitamin C.

Copywriter Barbara Siegel's use of "To be or not to be," winds up being apt—because the viewer's implicit choice is saving a life or condemning one. And director David Cornell's claustrophobic cinema verite of real-life diving hopeful Pat Evans is just the touch for driving the choice home.

So, yes, Minute Maid seems to have quite the running start. But as long as we're quoting Shakespeare, let's consider the possible cause-marketing backlash of so visibly, so impatiently selling orange juice and lemonade on the backs of underprivileged athletes—a backlash that being ahead of the pack can only aggravate.

As the Bard noted, "The weakest kind of fruit drops earliest to the ground." □

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

NBC, McDonald's to link up again

By Wayne Walley

NEW YORK—The much-maligned "McMillions on NBC" fall promotion is likely to make a comeback next year.

NBC and McDonald's Corp. are expected to meet after Thanksgiving to consider several marketing partnerships, including a reprise of the $35 million sweepstakes, said John Miller, the network's exec VP-marketing.

"We will be doing more with McDonald's in the future, and talk is favorable about doing 'McMillions' again in the fall," Mr. Miller said. "We were all pleased with the partnership."

Participants had to pick up a new game card at McDonald's each day of the 28-day promotion, then watch a specific NBC show to find out that night's $1 million winning number.

If no one claimed the prize by 4 p.m. (ET) the next day, the money was added to the jackpot.

NBC said the contest generated 25 million extra viewers, with specific shows averaging a 6% rating increase when the winning number was revealed.

The network also said its research showed the play rate for "McMillions" was 15 times greater than for CBS' "Get Ready Giveaway" promotion with K mart Corp.

"The question is how to make it more effective. Maybe there are ways to improve the game," Mr. Miller said. "McDonald's said once the faux pas happened [a $10 million winner was disqualified because her daughter worked for McDonald's], the game took off because of the multimedia exposure. If there's a way to jump-start it, this is a good thing to continue."

Despite media industry criticism that NBC's initial ratings results from the contest were disappointing, Mr. Miller said these kinds of big-ticket co-promotions with major advertisers are fast becoming a necessity to help networks improve awareness.

"You can't buy share of voice anymore," he said. "You have to do tie-ins with media to get the extra mileage and hope for a breakthrough. We are dealing with a situation in 1990 where the combined cable entities, pay and basic channels, exceeded the paid media spending by the four networks to entice viewers. I thought [NBC's] share of voice in paid media would be much greater than 20%, but it is only 11%."

"The question is how to make it more effective. . . . If there's a way to jump-start it, this is a good thing to continue."

NBC, in an effort to attract both viewers and advertisers, is also creating a special 20-city "NBC Comedy Tour" to hype its late-night schedule.

The network is pitching advertisers a $2 million to $5 million package including sole sponsorship of the tour and time in "The Tonight Show Starring Johnny Carson" and "Late Night With David Letterman."

Details have yet to be settled, but Mr. Miller said the network hopes to have a key NBC personality as the tour's host. The plan would be for other comedians who've appeared on NBC's late-night programs to participate in the tour as well. □

P&G tops in network TV

By Wayne Walley

NEW YORK—Procter & Gamble Co. was the top network and spot TV advertiser for the first half of 1990, while Philip Morris remained the top syndicated TV spender, Arbitron Co.'s Broadcast Advertisers Reports said.

P&G increased network TV to $273.7 million, up 60% from a year earlier, leapfrogging over General Motors Corp. ($268.8 million, up 9%) and Philip Morris ($229.2 million, up 17%). Other leading network advertisers included Kellogg Co. ($163.5 million, up 2%) and Sears, Roebuck & Co. ($140.8 million, up 67%).

Total ad spending on the Big 3 networks rose 11% to $5.2 billion, BAR reported.

Among spot TV advertisers, P&G was first ($131.8 million, up 38%), followed by Philip Morris ($126.5 million, up 45%), General Mills ($76.1 million, up 39%), GM ($55.8 million, up 55%) and PepsiCo ($53.3 million, up 1%).

Spot TV ad spending rose 5% to $2.7 billion.

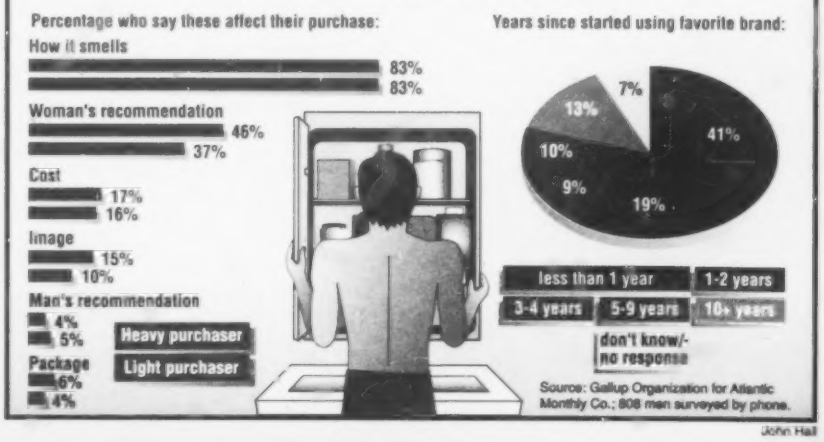
Philip Morris increased syndicated TV spending by 33% to $78 million, followed by P&G ($47.4 million, up 53%), Unilever ($25.6 million, up 64%), Kellogg ($23 million, down 3%) and Warner-Lambert Co. ($19.8 million, up 83%).

National syndicated TV ad spending was $726.4 million, up 27%. □

DATAWATCH

Fickle over fragrance

Of the men who say they use cologne or aftershave, 41% claim they started using their favorite brand within the past year. That's good news for fragrance marketers trying to steal users of competing brands.



Source: Gallup Organization for Atlantic Monthly Co.; 808 men surveyed by phone.

John Hall

NOTE

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Volvo parent seizes control of inquiry

Law firms join investigation of 'monster truck' ads

By Raymond Serafin and Jennifer Lawrence

Swedish parent company AB Volvo has stepped in to take over the internal investigation of the U.S. unit's fraudulent "monster truck" advertising, showing Volvo's concern for the issue's long-term effects.

The parent and the audit committee of Volvo Cars of North America have retained McCarter & English, Newark, N.J., that state's largest law firm, to handle the investigation, confirmed George McCarter, a partner.

Late last week, McCarter & English attorneys were in Austin, Texas, trying to uncover who authorized modifications made to cars used in the Volvo commercial.

■ Scali's woes mount—Page 2.
■ Scandal hurts all advertising, says TV consumerist David Horowitz—Page 54.

Despite last week's resignation by agency Scali, McCabe, Sloves, New York, of the $40 million account, questions remain over who authorized, and who knew of, the product rigging that took place at a production shoot June 12 in Austin.

The parent company also brought in a company director who isn't part of U.S. management to help conduct the investigation, raising questions about AB Volvo's confidence in its U.S. subsidiary.

Bob Austin, manager-public relations for Volvo Cars of North America, said the law firm is one the company doesn't normally use and that Volvo will eventually make public the investigation's major findings.

Scali, meanwhile, has asked its

(Continued on Page 54)

Eastern's last gasp?

New crisis puts Shugrue back in ad spotlight

By Jennifer Lawrence and Judann Dagnoli

Eastern Airlines will put Martin Shugrue back into the advertising limelight in what could be a final attempt to save the troubled carrier.

Eastern last week overcame a creditors' committee effort to force the carrier to liquidate on the strength of Mr. Shugrue's impassioned argument before a bankruptcy judge that his marketing plan will save the airline.

Although Eastern's strategy had called for Mr. Shugrue to relinquish his role as corporate pitchman, the airline's latest crisis puts him in front of the cameras again.

All future corporate ads will use Mr. Shugrue, the trustee appointed by the court in April to run Eastern, a company insider said.

In response to an abundance of death-knell news stories last week, Mr. Shugrue appears in a new 30-second TV spot that says the carrier will be around "well into 1991."

Doug Goodman

Mr. Shugrue, the court-appointed trustee for Eastern Airlines, meets the media outside federal bankruptcy court in downtown Manhattan.

The commercial began airing last night on spot TV. The initial media plan was under considera-

(Continued on Page 54)

General Mills will spend $50 million on its first national cereal introductions in two years: Triples and Basic 4.

New cereals power Big G's market push

By Julie Liesse

General Mills will get the chance to prove it's got the momentum in the $6.9 billion cereal market with the January introduction of Basic 4 and Triples cereals.

General Mills' one-two punch, supported by an estimated $50 million in introductory spending, comes at a time when it seems to be outperforming leader Kellogg Co. in both share and marketing gains.

But few new cereal brands in the past two years have been successful, and only General Mills' own Apple Cinnamon Cheerios, launched in late 1988, is considered a blockbuster newcomer, with about a 1.6% share.

The food industry will be watching the debuts of Basic 4 and Triples even more closely because they're General Mills' first totally new brands since the ill-fated Benefit psyllium cereal, which was pulled out of regional distribution last December after less than a year.

"General Mills has been particularly successful in line-extending existing products to gain momentum and share. These new products will be a good test for the company, to see if they can continue that progress with a brand-new product," said Timothy Ramey, analyst with County NatWest Securities USA.

Basic 4 will be positioned as an adult cereal that, when served with milk, provides four basic food groups. In addition to corn and multigrain flakes, Basic 4 contains four fruits (apples, cranberries, prunes and raisins) and two nuts (almonds and yogurt-covered walnuts).

"General Mills invented the all-family presweetened cereal, with Honey Nut Cheerios, and this seems in line with that strategy—great taste combined with nutrition—on a more elaborate basis," said a senior executive at a competing agency.

"Everyone has been so focused on how General Mills has led the category through its

(Continued on Page 56)

LAST MINUTE NEWS

Y&R cuts N.Y. staff

NEW YORK—Young & Rubicam last week laid off 35 staffers here and said another 15 vacant posts won't be filled. Agency executives said the layoffs affected full- and part-time employees in support positions who weren't needed after an internal restructuring. About 1,400 employees remain.

Mobil fights RICO suit

PHILADELPHIA—Attorneys for Mobil Corp. asked a U.S. district judge here to dismiss a false-advertising suit filed against the company under the Racketeer Influenced & Corrupt Organizations Act. The suit contends Mobil falsely represented its Hefty trash bags as biodegradable and that consumers bought the bags under that belief. Mobil attorneys say RICO doesn't apply because, among other things, consumers suffered no damages. Attorneys for the company say a ruling may come in the next few weeks.

Study urges ad limits

WASHINGTON—A study released by the U.S. Department of Education last week endorsed banning alcohol and tobacco ads if an independent agency

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■ **General Mills** will introduce Basic 4 and Triples cereals in January, supported by an estimated $50 million in introductory spending. 1

■ **Eastern Airlines** is again using Martin Shugrue in advertising in a final attempt to save the carrier from bankruptcy. 1

■ **ConAgra** is testing products to expand its top-selling Healthy Choice brand throughout the supermarket. 3

■ **Rupert Murdoch** is willing to sell some of his media properties, including *Seventeen* and *The Daily Racing Form*, to aid his debt restructuring plan. 3

■ **The Wall Street Journal,** *The National* and American Express Publishing Corp. announced personnel cutbacks last week, reflecting print media problems. 4

■ **A suit against DDB Needham** over the Chilko River rafting accident that killed five in 1987 has begun trial. 6

■ **Chrysler Corp.'s** estimated $40 million to $50 million cross-media marketing program with Time Warner will include 11 insert advertorials and single-advertiser issues of *Fortune*, *People* and *Life*. 16

■ **Sports Illustrated** Publisher Mark Mulvoy is cutting back on several projects and subscriber premium offers, and will instead stress the editorial vitality of the magazine. 16

■ **Nike** has hired a minority agency, Muse Cordero Chen. 16

■ **Gerber is switching** to a regional marketing strategy to shore up the soft spots in its 71.5% national share of the baby food market. 21

■ **Woman's Day** says it will invest $10 million in marketing efforts over the next 12 to 18 months and is testing a lower cover price. 24

■ **Evaluation of media** is taking new forms, speakers at the Audit Bureau of Circulations convention said. 25

■ **Retailer advertising** is slowing. 64.8% of retailers in a survey said fourth-quarter advertising as a percentage of sales would be even or down from last year. 28

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■ **Quaker Oats Co.** says it will raise worldwide marketing investment 10% to 15% during the 1990 fiscal year. 57

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Volvo loss worsens tailspin at Scali

By Gary Levin

NEW YORK—The Volvo commercial-rigging incident has cast a long shadow over an already troubled agency.

Executives at Scali, McCabe, Sloves, which last week resigned the $40 million Volvo Cars of North America account under pressure after a public outcry, say the loss of its largest and oldest account merely caps what's already been a "horrible" year.

Just two days after the Volvo loss, amid more inquiries into modifications of cars used in a "monster truck" advertising campaign, Scali learned the creative portion of its largest single Canadian prize—Labatt Brewing Co.'s $15 million to $20 million Labatt's Blue beer account—would move to J. Walter Thompson Co., Toronto.

The account had been in review for the second time in two years. HYP&N, Toronto, a media buying company 50%-owned by Labatt, earlier pulled media buying from Scali's Toronto office, which continues to handle French-language Blue advertising and several smaller brands.

Post-Volvo, the agency's estimated billings have dropped 37% to $200 million from $318 million at the end of 1989. Volvo was Scali's first account when the agency opened in 1967.

Scali executives last week were concerned about getting their side of the Volvo story out but seemed reluctant to do so because of possible lawsuits among Scali, Volvo and the production house involved, Perretti Productions, New York, and Federal Trade Commission action.

Agency Chairman-CEO Marvin Sloves said he would refrain from "finger pointing" pending a separate investigation by Scali's law firm, Paul Weiss Rifkind Wharton & Garrison.

"One thing I'd like to see is getting our reputation scrubbed clean and putting ourselves in line for another car account," said Vice Chairman Bob Levenson. "There's been a shadow over our credibility."

There's also been a shadow over its business. Scali's flagship office has lost more than $115 million in

(Continued on Page 54)

McD's takes low-fat lead

By Scott Hume

McDonald's Corp. last week upped the ante in fast-food's competition to remove the most fat and calories from its menus.

Rivals aren't folding their hands, however, and are expected to bring more lower-fat foods onto their menus. One of the first could be PepsiCo's Kentucky Fried Chicken Corp. Restaurant industry sources say KFC hopes to take national in January the Light 'n Crispy chicken that's 45% lower in fat than Extra Crispy chicken.

McDonald's disclosed last week that it's testing a 91% fat-free hamburger patty in 45 Harrisburg, Pa., area outlets. The quarter-pound burger is served on a sesame seed bun with ketchup, mustard, pickle, onion, lettuce and tomato under the name McDonald's Lean Deluxe.

The new sandwich contains 10 grams of fat, compared with 20.7 grams in its Quarter Pounder, 29.2 in its Quarter Pounder With Cheese, 32.4 in the Big Mac and 36.8 in the McD.L.T.

McDonald's Lean Deluxe also undercuts rival Wendy's International's claim to the lowest-fat fast-food burger with its 15-gram quarter-pound Single.

Hardee's Food Systems in May began testing an 18-gram hamburger it calls the Lean 1, a sandwich it hopes to introduce systemwide by yearend.

McDonald's takes the lead in the race to reduce fat in fast-food with the 91% fat-free Lean Deluxe sandwich.

The low-fat ground beef in McDonald's Lean Deluxe was developed through research into the mixture of burger ingredients at Auburn University. The three-year project was funded by the Beef Industry Council of the Meat Board.

McDonald's, which provided the project some input on fast-food cooking methods, is the first chain to test the product, but other chains are expected to be given access to it in the future if it tests well.

McDonald's Lean Deluxe is testing at $1.79 and $1.84, about the same as its regular Quarter Pounder. There will be media advertising for the product, which went into stores Nov. 5, but only point-of-purchase ads have been used so far, a McDonald's spokeswoman said. National agency Leo Burnett USA, Chicago, has the assignment.

In July, McDonald's, Burger King Corp. and Wendy's all announced they were switching to 100% vegetable oil for all frying. Hardee's made the switch earlier this year.

Kentucky Fried Chicken is testing grilled chicken in three markets and Light 'n Crispy chicken in five. A company spokesman wouldn't comment on reports it intends to roll out Light 'n Crispy in the first quarter of '91.

Burger King and Wendy's also have rolled out grilled chicken sandwiches that contain less fat than fried chicken; McDonald's has begun testing a similar product.

Nutrition crusader Phil Sokolof said he believed his ad campaign last spring (AA, April 9, *et seq.*) "helped the general public become aware that McDonald's and the others are fat factories.

"Since then, McDonald's has made important changes like switching to vegetable oil," he said. "I'm elated this [lower-fat hamburger] has come about." □

Nestle eyes brand moves

By Judann Dagnoli

The creation of Nestle USA will lead to a reorganization of the Swiss giant's U.S. businesses along distribution lines and could cause some ad agency brand shifts.

Nestle USA effectively merges Carnation Co. with Nestle Enterprises to form a company with $7 billion in annual sales. Carnation and Nestle Enterprises, which includes Nestle Foods Corp. and Stouffer Foods Corp., had previously reported to parent Nestle SA separately.

Nestle hasn't said where it will base the new unit, but agency sources believe it will be in the new Carnation office in Glendale, Calif.

T. Crull

The formation of Nestle USA, effective Jan. 1, is part of a plan begun more than a year ago, when some products in similar categories were combined. Carnation's and Nestle Foods' frozen novelty lines went into Nestle Ice Cream Co. and Hills Bros. and Nescafe coffees merged into Nestle/Hills Coffee Co.

But the newly formed Nestle USA also offers additional synergies to further realign brands, agency sources say. One possibility, a source said, is merging Contadina Fresh pasta and sauces, now under Carnation Co., with FreshNes, a refrigerated line managed out of Stouffer.

Contadina Fresh is with McCann-Erickson Worldwide, Los Angeles; FreshNes is handled Jordan, McGrath, Case & Taylor, New York. Spending on Contadina Fresh was $7 million last

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Group's spending up 13.1% for first half of '90 in *Ad Age* regular report tracking media spending

THE TOP 200 BRANDS

AT&T pushes past McDonald's

By R. Craig Endicott

Like a multitude of voices pulsating through optical fibers, ad spending during the first half of 1990 raced from AT&T through the nation's media channels at volumes exceeding all other brands.

In supplanting McDonald's Corp. as the nation's top brand, AT&T Co. plunked down $253 million in advertising during the period, $70.1 million on long distance service (up 73.5%) and $25 million on the Universal Card launched at the start of the second quarter, according to *Advertising Age*'s report on the "Top 200 Brands."

AT&T ad expenditures jumped 52.8% from the prior-year period, and continued at the heady pace set in this year's first quarter. As the leading brand for the first quarter, its ad spending was $103.8 million, up 25.8% from first-quarter 1989.

The Top 200 brands are derived each quarter from nine-media composites provided by LNA/Arbitron Multi-Media Service. A "brand" is every product or service marketed under the same name regardless of industry class. This report compares the first six-month periods of 1990 and 1989.

As a group, the Top 200—ranging in spending levels from AT&T to Whirlpool appliances' No. 200 ranking at $14.4 million—captured 38.3% of all national media spending. This was up from 35.4% for the year-ago six-month period. The group also claimed 62% of all spending on network TV in the period, up from 57% in 1989, and comprised 31% of all spot TV expenditures, up from 29.6%.

Brands showing the biggest ad growth from 1989 to 1990 include Chrysler cars & trucks (as opposed to the parent's Plymouth and Eagle nameplates), which moved from No. 27 a year ago to No. 11 in first-half 1990 as the LeBaron and New Yorker in particular helped pushed brand spending to $85.5 million, up 51%.

Miller Beer, ranked No. 12, rose from No. 26 a year ago as spending leaped 40.1%, to $82.8 million. It outspent rival Budweiser beer, which slipped from No. 11 a year ago to No. 16 on media advertising of $79.3 million, down 6.7%.

While Budweiser's national media spending total is down, its overall advertising is up, notes parent Anheuser-Busch Cos. The brewer is diverting national media funds into local media not tracked by LNA/Arbitron.

Touchstone films and video, a Walt Disney Co. unit, rode heavy advertising for its 1990 blockbuster hits "Pretty Woman" and "Dick Tracy" to No. 26 among the Top 200 brands from No. 62 a year ago, when "Dead Poets Society" was its hit attraction.

Ultra Slim-Fast, the weight-reducing brand, leaped from No. 194 a year ago to No. 39 as Thompson Medical Co. fattened its ad spending to $46.9 million, up from only $6.4 million a year ago. Likewise, Nutri/System Weight Loss Centers advanced from No. 164 to No. 97 on an increase of 86.1% in advertising to $25.4 million.

Lexus, Toyota Motor Corp.'s upscale nameplate that hit the market in the summer of 1989, recorded $39.9 million in advertising to rank No. 52. Its competitor, Nissan Motor Co.'s Infiniti, spent $16.4 million in the first half 1990, compared to little advertising in 1989, to rank No. 172.

The nation's largest advertiser in 1989, Philip Morris Cos., is well on its way to a repeat performance in 1990. Eleven of the top 200 brands were from its stable, paced by No. 7 Kraft, which represented 27% of the $458.8 million PM spent on the 11 brands that made the ranking, a total that grew 13.6%.

Procter & Gamble, the nation's second-biggest advertiser, contributed 10 brands to the ranking; they amassed $229.2 million in advertising led by No. 50 Folgers coffees at $40.3 million.

PM may have had five brands above that position but P&G's brands demonstrated much stronger ad growth—up a collective 35.2%.

Bigness doesn't necessarily mean growth. General Motors' seven nameplates on the chart dropped 4.7% in total media advertising to $423.4 million.

Intense competition from the Japanese and sluggish car sales forced GM and other car marketers to divert marketing dollars to cash rebates, which often averaged more than $1,000 per car.

Advertising from the 200's voluminous automotive category, representing just over a fifth of its composite, grew by 6.4% compared with a 3% ad growth for the industry as a whole.

Spending for the Top 200 grew by 13.1% over the first half of 1989, while national media advertising for all other brands (LNA/Arbitron monitors 39,000 brands) dropped slightly during the period, an indication advertisers are thinking recession.

Even the Top 200, with their double-digit growth, can't mask a certain uneasiness about the economy:

- Two-quarter composites disguise a slippage in the second quarter for the Top 200. After an advance of 15.6% in the first quarter over the prior year, second-quarter ad volume dipped to a 10.9% gain from the prior year.
- Among media increments, consumer magazines dropped from an 0.6% decline in the first quarter to an 8.7% decline in the second, compared with prior-year results. Quarterly spending movement on network TV dipped from a 26% gain by the Top 200 in the first quarter to a more realistic 13% gain in the second.

On the upside, newspapers and network radio showed positive swings in quarterly movement, the former abetted by growth in automotive, airline, financial services and telephone services categories. Radio growth was aided largely by an infusion of advertising from telephone services.

- Among the 39,000 brands tracked by LNA/Arbitron that fell into the business and consumer services category (banks, S&Ls, credit cards), spending dropped 0.7% in the second quarter compared to the same period in 1989, the automotive/automotive accessories and equipment category spending rose only 1% in the second quarter from the prior year. These two categories represent 16% of U.S. media spending in the second quarter.
- If there isn't an economic slump nationwide, at least Detroit is poised for one.

Twenty-nine auto nameplates had collective ad growth of 6.4% for the first half to bring total automotive category ad volume to $1.59 billion. But of the total, the 15 Ford Motor Co., General Motors Corp. and Chrysler Corp. nameplates accounted for spending of $865.4 million, down 4.7% from their first-half contribution in 1989. Foreign-based auto marketers claimed $722.4 million for 14 nameplates, up 23.5%.

The Ford cars & trucks brand, ranked No. 5 overall, led auto marketers with $176.4 million in first-half advertising for a narrow 0.1% growth from year ago six-month figures. Toyota cars & trucks brand, No. 6 at $126.7 million, is accelerating at a much faster ad clip, though. The brand blew past Chevrolet, last year's No. 6, on the basis of a 29.5% first-quarter ad growth and a 32.4% second-quarter boost compared with prior-year periods.

Chevy, like Ford, is budgeting less media spending each quarter on a year-to-year basis. Its first-quarter total dropped 29.5% from prior year levels and the second fell 33.5%.

For the two half-year periods, auto advertising by the Top 200 declined 15% in magazines and 8% in spot TV.

Countering the notion that the wolf is at the door, however, was the relatively strong performance by the Top 200's retail (non-food) category. It grew 10.8% in the first half, well ahead of the 6% growth (to $2.65 billion) for all retail advertising in the first half.

Most retail spending growth was in network TV and magazines. The category's newspaper outlays—its biggest outlet by volume—advanced only 1.1%.

The Top 200's telephone services category left all others in its wake, however, surging 42.8% from the prior half-year to $337.2 million. The category has become overheated, not only by ad volume but by comparative campaigns and accusations that AT&T in particular is surreptitiously spiriting away customers from its competitors.

In the category, US Sprint grew 42% to $40.2 million, GTE telephone services advanced 37.4% to $14.9 million while MCI Communications watched from the sidelines, spending $28.6 million, down 8%. ☐

Top 10 categories among top 200 brands

Rank	Category	Measured ad spending 1990	1989	% chg	First half 1990 spending by media Print	Broadcast	Outdoor	Number of brands
1	Automotive	$1,587.7	$1,492.8	6.4	$412.3	$1,170.6	$4.8	29
2	Food	860.4	752.3	14.4	69.2	790.3	0.9	21
3	Retail (non-food)	767.9	693.0	10.8	434.7	332.9	0.3	18
4	Restaurants	601.8	544.5	10.5	6.8	589.5	5.5	10
5	Entertainment, media	545.7	439.0	24.3	203.2	339.4	3.1	17
6	Beverages, coffee	343.0	311.9	10.0	17.2	323.5	2.3	9
7	Telephone	337.2	236.1	42.8	70.5	266.5	0.2	4
8	Toiletries, cosmetics	317.6	281.1	13.0	110.7	206.9	0.0	14
9	Airlines	299.3	268.0	11.7	175.2	120.9	3.2	9
10	Financial services	219.2	199.4	9.9	75.9	142.9	0.4	7

Notes: Dollars are in millions. Totals include only brands from within the top 200 for first half 1990. Source: LNA/Arbitron Multi-Media Service

Top 10 parent companies of brands in top 200

Rank	Company	Measured ad spending in first half 1990	1989	% chg	First half 1990 spending by media Print	Broadcast	Outdoor	Number of brands
1	Philip Morris Cos.	$458.8	$403.7	13.6	$85.5	$346.7	$26.6	11
2	General Motors Corp.	423.4	444.3	(4.7)	85.9	335.8	1.7	7
3	Sears, Roebuck & Co.	274.6	223.1	23.1	75.5	198.7	0.4	3
4	AT&T Co.	253.5	165.9	52.8	56.7	196.6	0.2	1
5	PepsiCo Inc.	251.4	208.0	20.9	7.1	242.4	1.8	5
6	Procter & Gamble Co.	229.2	169.5	35.2	37.5	191.7	0.0	10
7	Chrysler Corp.	221.1	219.4	0.8	60.0	160.7	0.4	5
8	Ford Motor Co.	220.8	243.2	(9.2)	78.8	141.0	1.0	3
9	McDonald's Corp.	217.2	204.2	6.4	3.1	211.5	2.6	1
10	Kellogg Co.	205.5	197.7	4.0	4.2	201.3	0.0	1

Notes: Dollars are in millions. Totals include only brands from within the top 200. Source: LNA/Arbitron Multi-Media Service

Measured ad spending by media for 200 brands

Rank	Media	First half spending: top 200 brands 1990	1989	% chg	All measured brands 1990	1989	% chg
1	Network TV	$3,213.3	$2,684.4	19.7	$5,177.2	$4,678.6	10.7
2	Spot TV	1,392.5	1,261.8	10.4	4,370.0	4,256.7	2.7
3	Magazine	968.9	1,017.2	(4.8)	3,242.0	3,201.0	1.3
4	Newspaper	911.3	860.5	5.9	4,257.5	4,300.7	(1.0)
5	Syndicated TV	407.3	250.6	62.5	726.4	570.6	27.3
6	Cable TV Networks	215.8	167.4	28.9	528.5	460.2	14.8
7	Network radio	156.2	149.6	4.4	368.1	310.9	18.4
8	Sunday magazine	81.2	94.1	(13.7)	362.2	355.1	2.0
9	Outdoor	68.2	68.9	(1.0)	309.1	357.2	(13.5)
	Subtotal print media	1,961.4	1,971.8	(0.5)	7,861.7	7,856.7	0.1
	Subtotal broadcast media	5,385.1	4,513.7	19.3	11,170.0	10,277.0	8.7
	Total	7,414.7	6,554.4	13.1	19,340.7	18,490.9	4.6

Notes: Dollars are in millions. Source: LNA/Arbitron Multi-Media Service. AA chart: Kevin Brown

Top 200 mega-brands by first-half ad spending

Rank '90	Rank '89	Brand, product, service & parent company	Total measured ad spending 1990	1989	% chg
1	5	**AT&T Co.**, AT&T Co.	$253,459.7	$165,911.2	52.8
2	1	**McDonald's restaurants**, McDonald's Corp.	217,202.0	204,203.0	6.4
3	3	**Sears stores**, Sears, Roebuck & Co.	212,729.7	183,567.3	15.9
4	2	**Kellogg breakfast foods**, Kellogg Co.	205,549.5	197,701.8	4.0
5	4	**Ford cars & trucks**, Ford Motor Co.	176,400.4	176,250.0	0.1
6	7	**Toyota cars & trucks**, Toyota Motor Corp.	126,708.0	96,694.8	31.0
7	10	**Kraft foods**, Philip Morris Cos.	125,162.3	87,714.5	42.7
8	6	**Chevrolet cars**, General Motors Corp.	124,054.2	154,725.8	(19.8)
9	9	**Nissan cars & trucks**, Nissan Motor Co.	115,323.9	89,797.9	28.4
10	14	**Pepsi beverages**, PepsiCo	85,605.0	71,110.1	20.4
11	27	**Chrysler cars & trucks**, Chrysler Corp.	85,452.8	56,576.8	51.0
12	26	**Miller beer**, Philip Morris Cos.	82,840.6	59,109.0	40.1
13	13	**Burger King restaurants**, Grand Metropolitan	82,286.2	77,766.4	5.8
14	8	**American Express**, American Express Co.	80,769.1	95,532.4	(15.5)
15	23	**Mazda cars & trucks**, Mazda Motor Co.	80,336.6	60,752.9	32.2
16	11	**Budweiser beer**, Anheuser-Busch Cos.	79,294.4	84,976.4	(6.7)
17	19	**K mart stores**, K mart Corp.	78,578.0	62,943.9	24.8
18	16	**Coca-Cola beverages**, Coca-Cola Co.	76,968.7	70,650.3	8.9
19	18	**Honda cars, motorcycles & equipment**, Honda Motor Co.	74,265.8	66,531.8	11.6
20	40	**General Motors cars & trucks**, General Motors Corp.	70,177.7	43,981.8	59.6
21	15	**Macy's stores**, R.H. Macy & Co.	64,052.8	70,967.1	(9.7)
22	33	**American Airlines passenger**, AMR Corp.	63,256.1	50,203.0	26.0
23	17	**Oldsmobile cars**, General Motors Corp.	59,959.6	66,671.6	(10.1)
24	12	**Dodge cars & trucks**, Chrysler Corp.	59,263.6	78,872.4	(24.9)
25	22	**Buick cars**, General Motors Corp.	58,358.4	61,617.0	(5.3)
26	62	**Touchstone films & video**, Walt Disney Co.	58,146.8	32,149.6	80.9
27	21	**Penney's stores**, J.C. Penney Co.	57,755.1	62,189.8	(7.1)
28	28	**Kentucky Fried Chicken restaurants**, PepsiCo	57,204.6	55,515.9	3.0
29	37	**Disney entertainment**, Walt Disney Co.	56,479.6	47,407.8	19.1
30	47	**Universal City Studios**, MCA Inc.	56,417.5	38,775.0	45.5
31	41	**Tylenol pain reliever**, Johnson & Johnson	56,073.4	42,818.6	31.0
32	25	**Pontiac cars & trucks**, General Motors Corp.	55,963.2	59,771.0	(6.4)
33	44	**Nabisco foods**, RJR Nabisco	53,173.6	39,394.5	35.0
34	20	**Kent cereals**, Philip Morris Cos.	52,478.4	62,547.9	(16.1)
35	36	**Pizza Hut restaurants**, PepsiCo	51,841.6	47,503.5	9.1
36	35	**Coors beer**, Adolph Coors Co.	50,196.2	48,509.5	3.5
37	30	**Wrigley's gums**, Wm. Wrigley Jr. Co.	49,086.0	52,516.9	(6.5)
38	51	**United Airlines**, UAL Corp.	47,302.5	36,694.1	28.9
39	194	**Ultra Slim-Fast**, Thompson Medical Co.	46,912.6	6,432.3	629.3
40	45	**Delta Air Lines**, Delta Air Lines	46,220.6	39,309.0	17.6
41	31	**Warner Bros. movies & video**, Time Warner	44,843.8	50,979.3	(12.0)
42	55	**Mercedes-Benz cars**, Daimler-Benz AG	44,025.9	34,524.8	27.5
43	49	**Maxwell House coffees**, Philip Morris Cos.	43,858.7	37,028.7	18.4
44	29	**Marlboro cigarettes**, Philip Morris Cos.	43,606.0	54,398.9	(19.8)
45	72	**Volkswagen cars & trucks**, Volkswagen AG	43,522.5	28,732.5	51.5
46	53	**Montgomery Ward stores**, Montgomery Ward & Co.	43,130.4	35,762.0	20.6
47	56	**Paramount movies & video**, Paramount Communications	42,796.0	34,518.8	24.0
48	32	**Columbia Pictures movies & records**, Sony Corp.	42,541.6	50,505.1	(15.8)
49	39	**Wendy's restaurants**, Wendy's International	41,500.9	44,290.2	(6.3)
50	54	**Folgers coffees**, Procter & Gamble Co.	40,327.6	34,624.0	16.5
51	74	**US Sprint**, United Telecommunications	40,247.9	28,340.0	42.0
52	199	**Lexus cars**, Toyota Motor Corp.	39,900.1	985.5	3,948.7
53	64	**Cheerios cereal**, General Mills	39,618.4	31,685.3	25.0
54	79	**Stouffer foods & hotels**, Nestle SA	39,381.3	27,514.9	43.1
55	100	**Tide laundry products**, Procter & Gamble Co.	38,971.6	23,528.6	65.6
56	43	**Du Pont products**, Du Pont Co.	38,894.0	39,688.2	(2.0)
57	66	**Domino's Pizza**, Domino's Pizza	38,667.4	31,137.1	24.2
58	24	**Subaru cars**, Fuji Heavy Industries	38,095.0	60,703.7	(37.2)
59	57	**Hallmark gifts & toys**, Hallmark Cards	38,087.4	34,324.1	11.0
60	110	**Allstate insurance**, Sears, Roebuck & Co.	37,774.7	21,502.2	75.7
61	58	**Circuit City stereo stores**, Circuit City Stores	37,180.9	33,661.9	10.5
62	86	**Taco Bell restaurants**, PepsiCo	37,051.2	25,878.0	43.2
63	59	**Prudential insurance**, Prudential Ins. Co. of America	36,778.7	33,465.9	9.9
64	101	**L'Oreal cosmetics**, Nestle SA	36,325.4	23,420.1	55.1
65	73	**Time-Life books & video**, Time Warner	36,057.4	28,651.9	25.8
66	48	**Acura cars**, Honda Motor Co.	36,028.7	38,302.7	(5.9)
67	42	**Citibank**, Citibank	35,967.5	40,457.7	(11.1)
68	127	**Nike shoes & sportswear**, Nike Inc.	35,945.6	18,739.0	91.8
69	71	**Goodyear tires**, Goodyear Tire & Rubber Co.	35,863.9	29,966.0	19.7
70	50	**Mitsubishi cars & trucks**, Mitsubishi Motors Corp.	33,643.0	37,028.2	(9.1)
71	61	**Weight Watchers**, H.J. Heinz Co.	32,962.0	32,338.7	1.9
72	112	**Gillette shaving products**, Gillette Co.	32,671.6	21,343.6	53.1
73	113	**Advil & CoAdvil**, American Home Products Corp.	32,056.6	21,320.6	50.4
74	65	**Jeep vehicles**, Chrysler Corp.	31,701.8	31,307.5	1.3
75	69	**Clairol toiletries**, Bristol-Myers Squibb Co.	31,294.6	30,480.5	2.7
76	80	**May Co. stores**, May Department Stores Co.	30,948.3	27,282.8	13.4
77	84	**Red Lobster restaurants**, General Mills	30,425.9	26,495.7	14.8
78	88	**Highland Stores**, Highland Superstores	30,228.2	25,616.8	18.0
79	85	**BMW cars**, BMW AG	29,743.4	26,001.8	14.4
80	106	**Cover Girl cosmetics**, Procter & Gamble Co.	29,470.4	22,148.0	33.1
81	81	**Cadillac cars**, General Motors Corp.	29,374.7	27,009.0	8.8
82	103	**Northwest Airlines**, NWA Inc.	28,572.0	23,155.6	23.4
83	67	**MCI Communications**, MCI Communications Corp.	28,568.0	31,037.6	(8.0)
84	93	**Broadway Department Stores**, Carter Hawley Hale Stores	28,074.8	24,875.0	12.9
85	168	**Tri-Star Pictures**, Sony Corp.	27,787.9	13,034.4	113.2
86	75	**Pan Am airlines**, Pan American World Airways	27,372.2	27,705.3	(1.2)
87	38	**Franklin Mint**, Franklin Mint	26,994.8	44,564.6	(39.4)
88	83	**General Electric**, General Electric Co.	26,935.8	26,977.4	(0.2)
89	82	**United Parcel air freight**, United Parcel Service	26,825.0	26,999.3	(0.6)
90	117	**Hershey's foods**, Hershey Foods Corp.	26,793.2	20,503.6	30.7
91	46	**Kodak photographic products**, Eastman Kodak Co.	26,777.4	38,887.7	(31.1)
92	91	**Midas Muffler shops**, Whitman Corp.	26,737.8	25,276.5	5.8
93	97	**Campbell's soups**, Campbell Soup Co.	26,713.1	23,698.2	12.7
94	177	**Little Caesar Pizza**, Little Caesar Enterprises	26,383.9	11,514.9	129.1
95	87	**Eastern Airlines**, Continental Airlines Holdings	25,783.7	25,707.2	0.3
96	68	**Geo cars & trucks**, General Motors Corp.	25,533.7	30,494.3	(16.3)
97	164	**Nutri/System Weight Loss Centers**, Nutri/System Inc.	25,369.1	13,632.6	86.1
98	99	**True Value stores**, Cotter & Co.	25,366.8	23,653.8	7.2
99	78	**Newport cigarettes**, Loews Corp.	24,952.5	27,539.6	(9.4)
100	102	**Isuzu cars & trucks**, Isuzu Ltd.	24,841.5	23,239.2	6.9
101	115	**Orion Pictures**, Orion Pictures Corp.	$24,555.1	$21,072.2	16.5
102	90	**TWA airlines**, Trans World Airlines	24,499.8	25,285.2	(3.1)
103	60	**Plymouth cars & trucks**, Chrysler Corp.	24,409.3	32,673.4	(25.3)
104	131	**Discover credit card service**, Sears, Roebuck & Co.	24,113.1	18,026.7	33.8
105	149	**Revlon cosmetics**, Revlon Group	23,948.5	15,803.4	51.5
106	181	**Fidelity financial services**, Fidelity Management & Research Co.	23,707.6	11,113.3	113.3
107	125	**Jell-O gelatins & puddings**, Philip Morris Cos.	23,661.0	19,410.8	21.9
108	89	**Nestle foods**, Nestle SA	23,433.9	25,381.1	(7.7)
109	34	**Mercury cars**, Ford Motor Co.	23,366.2	50,007.1	(53.3)
110	119	**Lucky food stores**, American Stores Co.	23,122.0	20,085.5	15.1
111	166	**HBO cable TV**, Time Warner	22,880.6	13,583.5	68.4
112	121	**Keebler foods**, United Biscuits (Holdings)	22,727.1	19,759.6	15.0
113	122	**Lysol cleaners**, Eastman Kodak Co.	22,580.8	19,749.6	14.3
114	94	**7UP beverages**, Dr Pepper/Seven Up Cos.	22,452.1	24,116.5	(6.9)
115	105	**Canon cameras & electronics**, Canon Inc.	22,425.6	22,258.4	0.8
116	111	**Vaseline products**, Unilever NV	22,384.2	21,370.2	4.7
117	171	**Royal Caribbean cruises**, Royal Caribbean Cruise Line	22,216.2	12,257.3	81.2
118	107	**CBS TV network**, CBS Inc.	21,726.5	22,139.7	(1.9)
119	104	**Maybelline cosmetics**, Wasserstein Perella & Partners	21,335.5	22,692.2	(6.0)
120	123	**20th Century-Fox movies**, News Corp.	21,080.3	19,723.0	6.9
121	138	**Lincoln cars**, Ford Motor Co.	21,037.9	16,897.3	24.5
122	170	**Pearle Visions Centers**, Grand Metropolitan	21,017.1	12,693.7	65.6
123	176	**Visa credit cards**, Visa International	20,971.4	11,560.3	81.4
124	154	**Virginia Slims cigarettes**, Philip Morris Cos.	20,854.1	14,912.1	39.8
125	124	**Kroger food stores**, Kroger Co.	20,622.9	19,646.3	5.0
126	63	**Continental Airlines**, Continental Airlines Holdings	20,387.3	32,126.0	(36.5)
127	95	**Tropicana juices**, Seagram Co.	20,331.3	24,083.7	(15.6)
128	120	**Eagle cars**, Chrysler Corp.	20,306.2	19,924.2	1.9
129	162	**Quaker foods**, Quaker Oats Co.	20,143.9	13,794.1	46.0
130	139	**Wal-Mart stores**, Wal-Mart Stores	20,031.7	16,851.0	18.9
131	165	**Ocean Spray drinks & sauces**, Ocean Spray Cranberries	19,668.6	13,609.0	44.5
132	189	**Frito snacks**, PepsiCo	19,651.4	7,951.8	147.1
133	108	**Audi cars**, Volkswagen AG	19,501.5	21,663.9	(10.0)
134	133	**Alka-Seltzer remedies**, Bayer AG	19,442.7	17,570.6	10.7
135	188	**Ivory soap & cleaners**, Procter & Gamble Co.	19,366.8	8,298.2	133.4
136	118	**Hardee's restaurants**, Imasco Ltd.	19,263.7	20,151.4	(4.4)
137	135	**Radio Shack electronics store**, Tandy Corp.	19,121.7	17,281.0	10.7
138	92	**Total cereal**, General Mills	19,068.8	24,976.1	(23.7)
139	187	**Sports Illustrated magazine**, Time Warner	18,967.7	8,916.3	112.7
140	150	**Dr Pepper beverages**, Dr Pepper/Seven Up Cos.	18,854.9	15,757.8	19.7
141	140	**Century 21 real estate**, Metropolitan Life Insurance Co.	18,796.5	16,737.3	12.3
142	128	**Crest toothpaste**, Procter & Gamble Co.	18,739.7	18,626.3	0.6
143	77	**Johnson household products**, S.C. Johnson & Son	18,699.0	27,657.0	(32.4)
144	137	**State Farm insurance**, State Farm Insurance of America	18,686.4	17,141.2	9.0
145	142	**Kleenex paper products**, Kimberly-Clark Corp.	18,551.7	16,492.6	12.5
146	157	**ABC TV network**, Capital Cities/ABC	18,504.9	14,550.3	27.2
147	130	**Safeway food stores**, Safeway Stores	18,361.4	18,336.0	0.1
148	163	**Head & Shoulders hair products**, Procter & Gamble Co.	18,249.0	13,720.5	33.0
149	70	**Merit cigarettes**, Philip Morris Cos.	18,215.5	30,411.2	(40.1)
150	114	**CBS video**, Sony Corp.	18,058.1	21,218.2	(14.9)
151	143	**Lens Crafters opticians stores**, U.S. Shoe Corp.	18,014.5	16,458.5	9.5
152	129	**NBC TV network**, General Electric Co.	17,993.7	18,505.5	(2.8)
153	146	**MasterCard credit card services**, MasterCard International	17,948.6	16,047.8	11.8
154	126	**Mennen toiletries**, Mennen Co.	17,832.3	19,269.9	(7.5)
155	151	**General Foods coffees & corporate**, Philip Morris Cos.	17,789.6	15,509.0	14.7
156	173	**Benadryl allergy relief**, Warner-Lambert Co.	17,688.0	12,071.3	46.5
157	153	**Giant Food Stores**, Ahold International	17,655.2	15,391.0	14.7
158	174	**Apple computers**, Apple Computer	17,455.3	11,724.0	48.9
159	144	**Vons markets**, Vons Cos.	17,260.6	16,315.8	5.8
160	141	**Walgreen drugstores**, Walgreen Co.	17,258.5	16,627.2	3.8
161	179	**Betty Crocker foods**, General Mills	17,094.9	11,363.9	50.4
162	190	**Norelco shavers**, Philips NV	17,091.0	7,933.2	115.4
163	167	**Excedrin pain relievers**, Bristol-Myers Squibb Co.	17,082.2	13,184.6	29.6
164	155	**Mervyns**, Dayton Hudson Corp.	16,982.0	14,903.4	13.9
165	175	**Levi's sportswear**, Levi Strauss & Co.	16,963.7	11,617.6	46.0
166	96	**Oil of Olay creams & lotions**, Procter & Gamble Co.	16,963.6	23,711.2	(28.5)
167	197	**New Line Cinema movies**, New Line Cinema Corp.	16,867.6	3,299.7	411.2
168	196	**Cheer laundry detergent**, Procter & Gamble Co.	16,789.1	3,862.5	334.7
169	109	**Colgate toothpaste & toothbrushes**, Colgate-Palmolive Co.	16,711.4	21,656.6	(22.8)
170	160	**Target stores**, Dayton Hudson Corp.	16,705.6	13,956.3	19.7
171	193	**Nintendo games**, Nintendo Co.	16,693.6	6,604.5	152.8
172	198	**Infiniti cars**, Nissan Motor Co.	16,434.5	1,103.8	1,388.9
173	156	**Estee Lauder cosmetics**, Estee Lauder Inc.	16,400.6	14,655.7	11.9
174	147	**Mattel toys**, Mattel Inc.	16,380.3	15,934.1	2.8
175	132	**Clorox cleaners**, Clorox Co.	16,240.4	17,779.9	(8.7)
176	134	**Holiday Inn hotels**, Bass PLC	16,159.5	17,503.9	(7.7)
177	136	**Bloomingdale's**, Campeau Corp.	16,157.0	17,170.2	(5.9)
178	NA	**Motrin IB pain reliever**, Upjohn Co.	16,067.8	0.0	NA
179	52	**IBM computers**, IBM Corp.	15,924.4	35,925.9	(55.7)
180	191	**US Air**, USAir Group	15,897.4	7,804.7	103.7
181	192	**Dreyfus financial**, Dreyfus Corp.	15,753.8	6,695.8	135.3
182	169	**Oscar Mayer foods**, Philip Morris Cos.	15,614.8	12,992.8	20.2
183	148	**Heinz condiments**, H.J. Heinz Co.	15,566.8	15,883.7	(2.0)
184	98	**U.S. Postal Service**, U.S. Government	15,488.2	23,675.3	(34.6)
185	178	**Lord & Taylor stores**, May Department Stores Co.	15,482.3	11,380.7	36.0
186	180	**Nyquil cold products**, Procter & Gamble Co.	15,450.8	11,196.5	38.0
187	183	**Marriott hotels**, Marriott Corp.	15,289.2	10,064.2	51.9
188	172	**Neutrogena toiletries**, Neutrogena Corp.	15,233.8	12,158.5	25.3
189	159	**Avis car rental**, Avis Inc.	15,176.3	14,335.2	5.9
190	76	**Purina pet foods**, Ralston Purina Co.	15,086.1	27,675.7	(45.5)
191	182	**GTE telephone**, GTE Corp.	14,905.8	10,850.3	37.4
192	116	**Minute Maid beverages**, Coca-Cola Co.	14,892.4	20,877.1	(28.7)
193	185	**Luvs diapers**, Procter & Gamble Co.	14,887.1	9,813.2	51.7
194	186	**Louis Rich meats**, Philip Morris Cos.	14,734.3	9,707.7	51.8
195	161	**Surf detergents**, Unilever NV	14,692.9	13,878.1	5.9
196	195	**Blockbuster videos**, Blockbuster Entertainment Corp.	14,649.8	4,801.5	205.1
197	158	**Polaroid cameras & accessories**, Polaroid Corp.	14,553.7	14,421.9	0.9
198	145	**Hertz Rent-A-Car**, Park Ridge Corp.	14,491.6	16,155.9	(10.3)
199	152	**Upjohn Co.**, Upjohn Co.	14,467.1	15,395.0	(6.0)
200	184	**Whirlpool appliances**, Whirlpool Corp.	14,456.4	9,897.7	46.1

Notes: Dollars are in thousands. Measured media spending includes magazine, Sunday magazine, newspaper, network, spot and syndicated TV, cable TV networks, and network radio. **Source**: LNA/Arbitron Multi-Media Service. See story on Page 27

AA chart: Kevin Brown

LETTERS

In defense of L.A. Gear

When I left a large public relations firm to start my own agency, one of my first clients was Sandy Saemann and L.A. Gear.

I resent the implication that Mr. Saemann is a difficult client and L.A. Gear doesn't hold agencies in high regard (AA, Nov. 5). My own relationship with the company has been characterized by communication and respect for nearly two years.

Mr. Saemann has proven he can run a successful company—L.A. Gear is the fastest growing major athletic shoe company, growing at a 40% rate in a terrible retail climate. To expect him to turn over the [creative] reins in one fell swoop is naive.

When L.A. Gear attempts to hold a "confidential" agency search and a significant number of the participants run to the advertising press to tell them the news; when agencies complain about producing four commercials by year's end; and when agencies compare L.A. Gear to Gallo, maybe then the advertising community can begin to understand L.A. Gear's frustration with the way many agencies run their businesses.

Howard Bragman
Bragman & Co.
Beverly Hills, Calif.

Pioneering in Moscow

Not to take away from the credit *Ad Age* deserves for its important two-day advertising/marketing seminar in Moscow, but that was not the first. There was also no "old Soviet taboo against advertising," nor did "perestroika reforms make this seminar possible." Far from "unprecendented," there were several, much-earlier, such seminars.

In 1968, George Gribbin (then ceo of Young & Rubicam), Alexander Brody (then head of international of Y&R) and I (then VP-special planning at Y&R) went to the Soviet Union.

(How our plane was diverted to Leningrad in a blinding snowstorm and how we managed to get to Moscow with no rubles on an overnight train with no sleeping accomodations is another story.)

In Moscow we addressed a seminar of about 60 people from Vneshtogreklama (the agency for advertising Soviet products outside the country), in the course of which we defined and discussed marketing, did slide presentations of several case histories, showed TV commercials and answered questions from a fascinated audience for an hour.

We are invited back in 1969 for more ambitious seminars. The climax was a seminar attended by about 500 people from all the advertising agencies, various ministries and journalism. . . . To say we were well-received is an understatement. We were greeted with long, enthusiastic applause. The question-and-answer session could have gone on for days but had to be cut short after an hour. We were treated as honored guests, stuffed with more food than we could eat and plied with vodka—and brandy at breakfast—which we learned how to gracefully refuse so we could continue on a vertical course.

Y&R's motive was to open an office in Moscow and use it not only for clients but to teach modern advertising to the Soviet adpeople. Many years later (can it be 21 years since we were there?) a Moscow Y&R office is a reality.

Virginia Miles
Englewood, N.J.

'Financial World' responds

I do not understand why Robert Paradise of *Barron's* incorrectly nitpicks a sales program that could save an advertiser $600,000 by running in *Barron's* and *Financial World* compared with *Forbes'* rates, and could put substantial dollars in *Barron's* pockets. Mr. Paradise (Letters, AA, Oct. 22) seems to completely misunderstand the essence of the *FW/Barron's* joint sale.

First, his protest that we are somehow brokering space for *Barron's* is a misrepresentation of both the *Advertising Age* story (AA, Oct. 8) and our program, which is simply a joint sale in which both *FW* and *Barron's* receive separate insertion orders.

His contention that his audience is more upscale than ours is also unusual given that, according to Simmons, only 21% of *Barron's* audience is managerial/administrative versus 31% for *FW*; and 20% of *Barron's* audience is not employed versus 14% for *FW*. I hope *FW's* audience never becomes so upscale.

Finally on the point of CPMs, at $58, *Barron's* has one of the highest in the business field, while *FW's* is $40.

Douglas A. McIntyre
President, *Financial World*
New York

Somebody wasn't listening

As a former employee of D'Arcy MacManus & Masius, pre-merger, I am guilty of referring to my alma mater as D'Arcy. However, after reading retired D'Arcy Masius Benton & Bowles Chairman John Bowen's fervent plea to discontinue using this incorrect reference ("Don't call us D'Arcy," Forum, AA, Oct. 29), I took an oath that from now on I would refer to the agency as DMB&B. I admit, I was also afraid of retribution from Mr. Bowen at some time during my life.

Apparently, though, your editors aren't quite as fearful, as evidenced by the article, "Ad message is crucial" on Page 52 of the same issue. I spotted not one but three references to "D'Arcy" in an article about a brand-leader study presented at the ANA meeting by, yes, Mr. Bowen. Oops! John Bowen certainly got his crucial message across, but somebody wasn't listening.

Annette Snyder
Account exec
Ross Roy Communications
Bloomfield Hills, Mich.

Address letters to Advertising Age, *Viewpoint Editor, 220 E. 42nd St., New York 10017.*

FREEZE FRAME

Bob Schochet

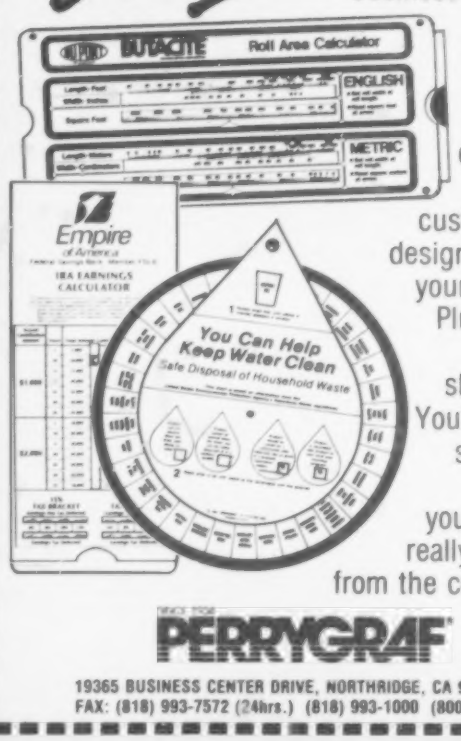
"You'd better tell them what they want to know or they'll use the Epilady on you."

CORRECTIONS & CLARIFICATIONS

■ Due to a typographical error, the figure for *PC Magazine's* 1989 single-copy sales was incorrect in a chart titled "Shopper hot on the racks" (AA, Nov. 12, P. S-15). It should read 127,491.

■ Jerry Ward, former publisher of *Traditional Home*, was named a group VP-publishing director at Meredith Corp. and will be in charge of the company's Special Interest Publications, Craftways titles and *Golf for Women*. The new title was incorrectly given (AA, Oct. 29, P. 8).

■ Andy Hayes, a VP at the Tribune Co., made comments incorrectly attributed to Andy McKenna, a Tribune Co. director, in a story on the New York *Daily News* (AA, Nov. 5, P. 67). □



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Garfield mislabeled Wisk

Bob Garfield in a recent column (AA, Oct. 22) says Lever Bros. is attempting to exploit the recent wave of environmental concern with advertising that points out that Wisk Power Scoop creates less waste than conventional detergents. Bob has the right to his opinion . . . but I would challenge his implication—that because Lever has not, at one blow, completely eliminated all the environmental effects of detergent use, the positive step they have taken is somehow unworthy of mention.

The basis of Wisk's environmental statements is that it is the most concentrated detergent in the U.S. This in itself reduces waste along with the significant additional benefit of requiring a cardboard box only one-third the size of conventional detergents. Incidentally, every Wisk box is made of recycled cardboard and every single scoop and handle is coded for recycling.

No one, least of all Lever Bros., is claiming this is more than a small step. But should a company be criticized for taking constructive action? Bob's complaint is that "the difference between large and small detergent boxes" is too minor to mention. Consider that we are talking about 75 million boxes. Add to that the hundreds of millions of concentrate boxes that will be sold by other detergent manufacturers. Together, these millions of little steps should add up to something quite significant indeed.

Bob writes that Lever is hailing itself as the Rachel Carson of package goods, when in fact the advertising copy—"It may not change the world, but it's a start"—could hardly be more modest. And the overwhelming number of consumers Lever showed it to liked it, believed it and considered it meaningful.

What I regret most about Bob's article is not that it criticizes Lever, but that it shows that the commercial didn't communicate to him the company's genuine concern for environmental issues. My solace is that so far, at least, American consumers are not confused about what Lever is saying about Wisk Power Scoop. Even better, they have shown a strong interest in trying this new product. Isn't that how advertising is supposed to work?

Burt Manning
Chairman-CEO
J. Walter Thompson Co.
New York

Second

(Continued from Page 30)

of Pacific Rim companies.

Third, and perhaps most worrisome, this way of doing business gets absorbed into our national psyche. Rather than being a can-do nation we become an almost-can-do nation. Gradually, we come to accept the Second Time Syndrome as the way things are done. It is no wonder we get clobbered so often in the marketplace.

So what's to be done? Simple: Make First Time Performance a corporate value. Companies need to value a consumer's time as much as they value a consumer's pocketbook. How? The usual easy-to-say, hard-to-do way: Top management identifies it as a goal, incentives are set up to reward achievement and programs are encouraged to develop creative ways to meet First Time objectives. Of course, companies don't have to develop programs to deal with this now. There's always a second chance, isn't there? □

GLOBAL MARKETING & MEDIA

Unilever, P&G, Nestle hold onto top spots

Anglo-Dutch giant spends $1.1 billion

By Nancy Giges

Unilever, Procter & Gamble Co. and Nestle held onto their respective slots as the three biggest advertisers outside the U.S. for the third consecutive year.

In *Advertising Age's* fourth survey of the 50 leading ad spenders outside the U.S., the Anglo-Dutch conglomerate kept its top ranking, doling out $1.1 billion in 25 countries in 1989.

However, in comparing spending to the previous year in countries where *Ad Age* has comparable data for both years, Unilever's spending declined 5.1%.

Cincinnati-based P&G spent $934 million in 18 countries outside the U.S., while Vevey, Switzerland-based Nestle chalked up $534.6 million in 19 nations.

Rounding out the top 10 are: Renault, Paris; Philip Morris Cos., New York; Fiat, Turin, Italy; Matsushita Electric Industrial Co., Osaka, Japan; PSA Peugeot-Citroen, Paris; Nissan Motor Co., Tokyo; and Volkswagen, Wolfsburg, Germany *(see chart on Page S-4)*.

When U.S. ad spending is included, consumer goods giant P&G comes out on top with worldwide spending of $2.7 billion.

Philip Morris follows closely with $2.5 billion. Unilever and General Motors Corp., Detroit, tie for third with $1.7 billion each. The only other company exceeding the $1 billion mark in ad spending worldwide is Nestle with $1.1 billion.

Spending for the top 50 totaled $13.7 billion, up 10.5% from 1988 figures.

Newcomers to the top 50 list include Mazda Motor Corp., Hiroshima, Japan; Sony Corp., Tokyo; Ajinomoto Co., Tokyo; Shiseido Co., Tokyo; Mitsukoshi, Tokyo; Tokyo Electric Power, Tokyo; Matsushita Kogyo, Yokohama; Suzuki Motor Co., Hamamatsu, Japan; Seiyu, Tokyo; and Standa, Rome.

Dropping from the list are the British Government, London; BMW, Munich; Barilla, Parma, Italy; Gervais Danone, Levallois-Perret, France; RJR Nabisco, New York; Jacobs Suchard, Zurich; B.A.T Industries, London; British Telecom, London; Kingfisher, London; and Cole Myer, Sydney. Suchard, acquired by Philip Morris, is included in its parent's totals.

The number of Japan-based companies rose to 29, up from 20, while the U.S. number dropped to 10 from 11. Italy was represented by three, the Netherlands by 2½, Germany and France by two each, Switzerland by one and the U.K. by one-half. The split is the result of Unilever, which claims roots in the U.K. and the Netherlands.

Automakers top the list with 12 entries contributing $3.6 billion; followed by food companies with nine, contributing $2.3 billion; electronics companies with eight, contributing $2 billion; and soap marketers with six, at $3 billion.

On the list are six retailers, four beer companies and two utilities. Computer, photography and cosmetic marketers have one company each on the list.

Information for *Ad Age's* ranking of the top 50 spenders in non-U.S. advertising was compiled from data supplied from 38 major advertiser markets by *Ad Age's* international network and sources around the world *(see "How to read these rankings" on Page S-10)*. □

Top circulation gains found in weeklies

AT&T, Canon among top advertisers

By R. Craig Endicott

Global weeklies, backed by their growing popularity in Europe and Asia/Pacific, led monthlies and dailies in average 1990 circulation growth, while dailies proved most cost-efficient for advertisers, holding down cost per thousand growth.

According to *Advertising Age's* sixth annual Global Marketing & Media survey covering 18 publications, weeklies were paced in circulation by the U.K.'s *The Economist*, with overall growth of 11.7% to 425,366.

Among all weeklies, Europe contributed 5.6% average growth, and Asia/Pacific 7.2%, as the category registered 3.2% average circulation growth overall compared with 2.3% for dailies.

AT&T Co. and Canon were the marketers named most frequently—five times each—as a top 10 advertiser by the 18 publishers. Luxury goods were listed 26 times as a top 10 advertiser. Automobiles at 23 and airlines and financial services at 22 each followed.

Dailies, with an average CPM growth of 4%, increased efficiencies more than the weeklies, whose average CPM growth was 10.3%. Paris-based *International Herald Tribune* paced the dailies with 1.2%. Contributing to the *Tribune's* cost-efficiency was a strong 4.1% circulation growth compared with a low 5.4% increase in a b&w full-page ad to $41,300.

Monthlies registered average CPM growth of 7%, a number distorted by *WorldPaper's* CPM uptick of 22.3%. *WorldPaper* also lost 18.2% in circulation to effect an average circulation decline of 2.8% for the group. Apart from this newspaper-distributed publication, monthlies' average circulation increase hit 1.1% and average CPM growth was 3.1%.

Reader's Digest dwarfed not only all monthlies but all publications in volume terms with circulation of 28.8 million, up 1.3%, and overall CPM of $9.47, up 3.8%.

North American editions dominated in circulation volume, with 44.9 million for all publications. Average circulation growth of 4.9% was held back by *Newsweek* and *Time*, with circulation declines of 1.9% and 2.9%, respectively. Those two, however, helped stimulate average circulation growth in the Asia/Pacific corridor, where all publications grew an average 7%.

Circulation growth was mixed in Latin America and Africa/Middle East. *WorldPaper*, with a worldwide circulation decline to 913,100, dropped 36.7% in Latin America from the demise of its 230,000-circulation Mexican edition. Its Mideast circulation also dropped 65.5%.

A large part of the average circulation growth of 4.7% in Europe is coming from new business in Central European markets. From the Soviet Union, *Business Week* drew 50,000 and *WorldPaper* 270,000.

This study includes global publications that are circulated on at least three continents, draw close to 10% of worldwide circulation from international editions and have centralized ad buying. □

Advertising Age's 1990 global media lineup

	Title/ publisher/ headquarters	Paid North American circulation/ % chg	Paid foreign circulation by region/ % chg	Worldwide circulation/ % chg	b&w pg cost/ % chg/ 4/c pg cost in 1990	b&w pg cost/ 4/c pg cost projected for 1991	Global cpm b&w pg in 1990/ % chg	Top worldwide advertisers in 1990
Dailies	***Financial Times of London*** Financial Times Ltd. London	23,870 15.9	**Europe:** 257,420 (0.2) **Middle East/Africa:** 3,619 7.4 **Asia/Pacific:** 4,838 27.3 **Latin America:** 420 39.1 **Caribbean:** 321 (8.3)	290,488 1.6	$41,664 12.0 $84,680	NA NA	$143.43 10.3	**British Airways** **British Gas** **Toshiba** **Daimler-Benz** **Renault**
	International Herald Tribune New York Times & Washington Post Neuilly, France	5,303 11.5	**Europe:** 136,489 2.4 **Middle East/Africa:** 6,715 (1.4) **Asia/Pacific:** 38,330 9.3 **Latin America:** 2,906 31.3	189,743 4.1	41,300 5.4 59,822	$44,958 $65,126	217.66 1.2	**IBM** **AT&T Co.** **Pan American World Airways** **Nissan** **Spanish Tourism**
	People's Daily Gao Di Beijing	52,000 0.0	**Europe:** 15,000 0.0 **Middle East/Africa:** 7,000 0.0 **Asia/Pacific:** 63,000 0.0 **Latin America:** 13,000 0.0 **China:** 3,850,000 0.0	4,000,000 0.0	105 0.0 NA	NA NA	0.26 0.0	**Sharp Electronics** **Sanyo** **National** **Isuzu** **Beijing Jeep**
	USA Today Gannett Co. Arlington, Va.	1,826,268 4.1	**Europe:** 45,000 12.2[1] **Asia/Pacific:** 14,000 7.7[1]	1,885,268 4.3	57,232 9.8 74,403	NA NA	30.36 5.3	**General Motors Corp.** **AT&T Co.** **Stouffer Hotels** **MCI Communications** **Sheraton Hotels**
	The Wall Street Journal Dow Jones & Co. New York	1,857,131 1.2	**Europe:** 47,821 6.8 **Asia/Pacific:** 38,357 3.4	1,943,309 1.3	123,041 4.8 NA	NA NA	63.32 3.4	**AT&T Co.** **Fidelity Mgt. & Research** **Dreyfus** **American Express** **IBM**
Weeklies	***Business Week*** McGraw-Hill New York	911,386 1.2	**Europe:** 55,376 2.9 **Asia/Pacific:** 32,576 14.2 **Latin America:** 21,177 (1.1)	1,020,515 1.6	45,205 7.9 68,715	48,985 74,460	44.30 6.2	**IBM** **AT&T Co.** **Fujitsu** **Hewlett-Packard** **Canon Inc.**
	The Economist The Economist Newspaper London	181,521 12.6	**Europe:** 177,164 11.6 **Middle East/Africa:** 15,169 12.3 **Asia/Pacific:** 44,255 7.8 **Latin America:** 7,257 11.9	425,366 11.7	9,860 9.6 31,000	10,900 43,100	23.18 (1.9)	**Singapore Airlines** **Boeing Co.** **Audemars Piguet** **Bankers Trust** **Cathay Pacific**
	The Guardian Weekly Guardian Publications Manchester, England	26,305 4.8	**Europe:** 16,144 2.8 **Middle East/Africa:** 3,971 1.2 **Asia/Pacific:** 16,528 10.7 **Latin America:** 1,356 (4.6) **West Indies:** 6,879 8.0	71,183 5.5	3,317[2] 40.0 NA	3,317[2] NA	46.60 32.7	**Barclays Bank** **Standard Chartered Bank** **Halifax Bldg. Society** **Jardine Fleming** **Nat. Westminster Bank**
	Newsweek Newsweek Ltd. New York	3,227,522 (1.9)	**Atlantic:** 328,400 5.8 **Asia:** 214,630 2.5 **Latin America:** 61,258 10.4 **Australia:** 112,000 2.6[3]	3,943,810 (0.7)	101,845 6.5 166,305	NA NA	25.82 7.3	**Rothmans International** **Singapore Airlines** **Rolex** **Thai Airlines** **B.A.T. Tobacco**
	Paris Match International Publications Filipacchi Paris	39,732 13.4	**Europe:** 137,260 0.6 **Middle East/Africa:** 34,543 1.5 **Asia/Pacific:** 1,841 (7.0) **Latin America:** 3,257 (5.2) **Other:** 24,256 (3.7)[4]	240,889 2.0	10,636 5.1 15,545	11,062 16,166	44.15 3.1	**Philip Morris Cos.** **B.A.T. Tobacco** **SMH Group Watches** **Peugeot-Citroen** **Renault**
	Time Time Warner New York	4,610,104 (2.9)	**Europe:** 462,196 4.8 **Middle East/Africa:** 73,642 1.7 **Asia/Pacific:** 428,892 1.6 **Latin America:** 92,512 4.4	5,667,346 (1.8)	145,900 4.2 227,375	156,115 242,155	25.74 6.1	**General Motors Corp.** **Chrysler Corp.** **Philip Morris Cos.** **K mart Corp.** **Toyota Motor Corp.**
Monthlies	***Cosmopolitan*** Hearst Corp. New York	2,745,000 NA	**Europe:** 1,750,000 NA **Middle East/Africa:** 120,000 NA **Asia/Pacific:** 575,000 NA **Latin America:** 510,000 NA	5,700,000 NA	NA[5] NA NA[5]	NA NA	NA NA	**Revlon Inc.** **Nestle SA** **Procter & Gamble Co.** **Unilever NV** **Philip Morris Cos.**
	National Geographic National Geographic Society Washington	9,459,670 0.3	**Europe:** 794,802 9.9 **Middle East/Africa:** 72,963 7.7 **Pacific:** 406,598 6.3 **Latin America:** 102,635 4.2	1,836,667 1.0	136,725 0.0 180,480	136,725 180,480	12.62 (0.9)	**Canon Inc.** **Hitachi** **Iberia Airlines** **Citizen Watch** **Lufthansa Airlines**
	Reader's Digest Reader's Digest Association Pleasantville, N.Y.	18,687,211 2.2	**Atlantic:** 7,167,564 (0.3) **Asia/Pacific:** 1,728,223 (0.4) **Latin America:** 1,195,739 (0.7)	28,778,737 1.3	265,125 4.5 353,875	303,785 403,495	9.47 3.8	**Unilever** **Mazda Motors** **Eastman Kodak** **Franklin Mint** **Nestle**
	Scientific American Scientific American New York	524,636 (0.7)	**Europe:** 77,322 2.9 **Middle East/Africa:** 4,473 16.8 **Asia/Pacific:** 24,283 10.6 **Latin America:** 5,112 (3.5) **Atlantic Islands/Military Overseas:** 3,195 0.1	639,021 0.1	21,800 6.9 32,700	NA NA	34.11 6.7	**Lockheed Corp.** **Hughes Aircraft** **Digital Equipment** **Asea Brown Boveri** **Hortsmann Software**
Other	***WorldPaper***[6] World Times Boston	3,000 0.0	**Middle East/Africa:** 10,000 (65.5) **Asia/Pacific:** 260,800 10.3 **Latin America:** 359,300 (36.7) **Iceland:** 10,000 0.0 **Soviet Union:** 270,000 0.0	913,100 (18.2)	38,090 0.0 NA	38,090 NA	41.72 22.3	**AT&T Co.** **Philadelphia Stock Exchange** **Guardian Bank** **Lufthansa Airlines** **ADM**
	Fortune Time Warner New York	677,042 0.7	**Europe/Middle East/Africa:** 61,178 8.6 **Asia/Pacific:** 44,518 10.9 **Latin America:** 11,622 0.2	794,360 1.5	35,690 7.5 54,610	NA NA	44.93 6.3	**Cleveland Economic Dev.** **Knowledgeware** **Bank of America** **Canadian Business Jets** **Four Seasons Hotels**
	World Link[7] World Link Publications part of World Economic Forum Geneva, Switzerland	11,892 21.5	**Europe:** 17,496 9.6 **Middle East/Africa:** 2,014 (8.8) **Asia/Pacific:** 6,725 5.3 **Latin America:** 1,766 8.3	39,893 10.9	10,770 0.0 13,850	10,770 13,850	269.97 (9.8)	**Audi** **Asea Brown Boveri** **Union Bank of Switzerland** **Remy Martin** **Price Waterhouse**

Note: [1] Second half '90 projection. [2] Full page b&w figure of pound sterling 1,750 converted to dollars using the Sept. 1990 rate of 1.8954. [3] March '89/'90 ABC numbers. [4] Other circulation comprises 10,096 for airlines and 14,160 for French territories. [5] No figures available for b&w and color pages since rates are given on a case-by-case basis for 24 different editions of the magazine. [6] Distributed as a newspaper/magazine supplement. [7] Published bi-monthly. **Source:** AA survey. See How to read these rankings, Page S-10.

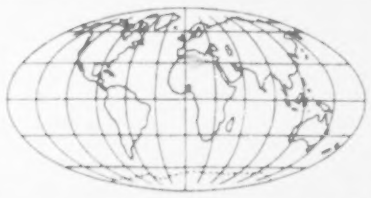
Compiled by: Ilse Cermak

Unilever ranked No. 1 in non-U.S. advertising

Rank	Advertiser	Headquarters	Primary business	Countries in which spending was reported for 1989	Non-U.S. spending 1989	'88-'89 % chg	U.S. spending 1989	W'wide spending 1989	Non-U.S. as % of w'wide
1	**Unilever NV**	Rotterdam/London	Soaps	Argentina, Australia, Austria, Brazil, Britain, Canada, Denmark, France, Germany, Greece, India, Italy, Japan, Malaysia, Mexico, Netherlands, Pan Arabia, Portugal, Puerto Rico, South Africa, Spain, Switzerland, Taiwan, Thailand, Turkey	$1,140.1	(5.1)	$604.1	$1,744.2	65.4
2	**Procter & Gamble Co.**	Cincinnati	Soaps	Australia, Austria, Britain, Canada, France, Germany, Greece, India, Italy, Japan, Malaysia, Mexico, Netherlands, Pan Arabia, Puerto Rico, Taiwan, Thailand, Turkey	934.0	(2.3)	1,779.3	2,713.3	34.4
3	**Nestle SA**	Vevey, Switzerland	Food	Argentina, Australia, Austria, Brazil, Britain, France, Germany, India, Japan, Malaysia, Mexico, Netherlands, Pan Arabia, Portugal, Puerto Rico, Spain, Switzerland, Taiwan, Thailand	534.6	1.0	608.4	1,143.0	46.8
4	**Renault SA**	Paris	Automotive	Argentina, Austria, Britain, France, Germany, Italy, Netherlands, Pan Arabia, Portugal, Spain, Switzerland, Thailand	432.0	16.1	0.0*	432.0	100.0
5	**Philip Morris Cos.**	New York	Food	Argentina, Australia, Austria, Brazil, Britain, Canada, Denmark, France, Germany, Hong Kong, Japan, Mexico, Netherlands, Pan Arabia, Spain, Taiwan, Thailand	430.1	(2.0)	2,072.0	2,502.1	17.2
6	**Fiat SpA**	Turin, Italy	Automotive	Brazil, Britain, Denmark, France, Germany, Italy, Netherlands, Portugal, Spain, Switzerland	403.0	34.5	0.5*	403.5	99.9
7	**Matsushita Electric Industrial Co.**	Osaka, Japan	Electronics	Brazil, Britain, Hong Kong, Japan, Malaysia, Pan Arabia, Taiwan, Thailand	387.2	3.0	181.7*	568.9	68.1
8	**PSA Peugeot-Citroen SA**	Paris	Automotive	Argentina, Austria, Britain, Denmark, France, Germany, Netherlands, Pan Arabia, Portugal, Spain, Switzerland, Thailand	363.1	12.2	17.2*	380.3	95.5
9	**Nissan Motor Co.**	Tokyo	Automotive	Australia, Britain, Germany, Japan, Mexico, Pan Arabia, Switzerland, Thailand	348.7	8.2	300.6	649.3	53.7
10	**Volkswagen AG**	Wolfsburg, Germany	Automotive	Brazil, Britain, France, Germany, Mexico, South Africa, Spain, Sweden, Switzerland, Thailand	335.6	23.0	131.9	467.5	71.8
11	**Mazda Motor Corp.**	Hiroshima, Japan	Automotive	Australia, Austria, Denmark, Germany, Japan, Pan Arabia, Thailand	333.4	66.1	196.3	529.7	62.9
12	**Kao Corp.**	Tokyo	Soaps	Hong Kong, Japan, Taiwan, Thailand	325.1	(6.9)	21.2*	346.3	93.9
13	**General Motors Corp.**	Detroit	Automotive	Austria, Brazil, Britain, Canada, Denmark, Finland, France, Germany, Mexico, Netherlands, Norway, Pan Arabia, Spain, Sweden, Switzerland, Thailand	323.9	3.9	1,363.8	1,687.7	19.2
14	**Toyota Motor Corp.**	Toyota City, Japan	Automotive	Australia, Denmark, Germany, Japan, Pan Arabia, Switzerland, Thailand	322.2	8.5	417.6	739.8	43.6
15	**Suntory**	Tokyo	Beer	Japan	311.5	47.9	2.3*	313.8	99.3
16	**Hitachi Ltd.**	Tokyo	Electronics	Japan, Pan Arabia, Thailand	297.1	18.7	17.7*	314.8	94.4
17	**Mars Inc.**	McLean, Va.	Food	Australia, Austria, Britain, Denmark, France, Germany, Japan, Netherlands, Switzerland, Thailand	290.3	(9.6)	293.3	583.6	49.7
18	**Toshiba Corp.**	Tokyo	Electronics	Brazil, Hong Kong, Japan, Pan Arabia, Thailand	274.3	30.8	18.2*	292.5	93.8
19	**Mitsubishi Motor Corp.**	Tokyo	Automotive	Australia, Japan, Pan Arabia	273.1	3.6	73.9*	347.0	78.7
20	**Ford Motor Co.**	Dearborn, Mich.	Automotive	Argentina, Australia, Austria, Brazil, Britain, Denmark, Finland, France, Germany, Mexico, Netherlands, Pan Arabia, Spain, Sweden, Switzerland, Thailand	268.6	7.0	602.1	870.7	30.9
21	**NEC Corp.**	Tokyo	Electronics	Japan, Mexico, Pan Arabia, Thailand	259.1	11.4	23.1*	282.2	91.8
22	**Colgate-Palmolive Co.**	New York	Soaps	Australia, Brazil, Denmark, France, Germany, Greece, India, Italy, Malaysia, Mexico, Portugal, Puerto Rico, South Africa, Thailand, Turkey	257.1	(2.3)	246.3	503.4	51.1
23	**Honda Motor Co.**	Tokyo	Automotive	Australia, Brazil, Japan, Mexico, Pan Arabia, Thailand	247.6	1.0	298.8	546.4	45.3
24	**Coca-Cola Co.**	Atlanta	Food	Argentina, Austria, Brazil, Britain, Canada, France, Germany, Japan, Mexico, Pan Arabia, Spain, Taiwan, Thailand, Turkey	244.4	2.8	385.3	629.7	38.8
25	**Ferrero SpA**	Perugia, Italy	Food	France, Germany, Italy	238.7	17.3	5.7*	242.4	97.6
26	**Nippon Telephone & Telegraph**	Tokyo	Utilities	Japan	230.9	30.4	0.2*	231.1	99.9
27	**Asahi Breweries**	Tokyo	Beer	Japan	229.7	16.3	0.3*	230.0	99.9
28	**Sharp Corp.**	Osaka, Japan	Electronics	Brazil, Hong Kong, Japan, Pan Arabia, Thailand	228.0	38.3	30.8*	258.8	88.1
29	**Philips NV**	Eindhoven, Netherlands	Electronics	Argentina, Austria, Brazil, Denmark, Finland, France, Germany, Greece, Italy, Japan, Mexico, Netherlands, Pan Arabia, South Africa, Sweden, Thailand, Turkey	216.4	6.7	182.3	398.7	54.3
30	**Henkel Group**	Duesseldorf	Soaps	Austria, France, Germany, Netherlands, Spain, Turkey	214.7	(5.0)	0.0	214.7	100.0
31	**Kellogg Co.**	Battle Creek, Mich.	Food	Australia, Britain, Canada, Denmark, France, Germany, Japan, Mexico, Pan Arabia, South Africa, Thailand	212.1	12.7	611.6	823.7	25.7
32	**Sony Corp.**	Tokyo	Electronics	Japan, Mexico, Pan Arabia, Thailand	204.3	37.4	356.5	560.8	36.4
33	**Kirin Brewery Co.**	Tokyo	Beer	Japan, Thailand	198.0	5.9	0.0	198.0	100.0
34	**Ajinomoto Co.**	Tokyo	Food	Japan, Thailand	197.6	35.3	0.0	197.6	100.0
35	**Shiseido Co.**	Tokyo	Cosmetics	Japan, Thailand	193.9	19.4	2.6*	196.5	98.7
36	**Sapporo Breweries**	Tokyo	Beer	Japan	191.4	10.6	0.0	191.4	100.0
37	**Daiei**	Kobe, Japan	Retail	Japan	190.4	5.2	0.0	190.4	100.0
38	**Fuji Photo Film**	Tokyo	Photography	Japan, Mexico, Thailand	175.3	14.8	14.3*	189.6	92.5
39	**Takashimaya**	Osaka, Japan	Retail	Japan	169.9	10.9	0.0	169.9	100.0
40	**Mitsukoshi**	Tokyo	Retail	Japan	168.6	NA	0.0	168.6	100.0
41	**Fujitsu Ltd.**	Tokyo	Computers	Japan, Thailand	167.6	7.5	5.8*	173.4	96.7
42	**Lion Corp.**	Tokyo	Soaps	Japan, Taiwan	165.5	(7.3)	0.0	165.5	100.0
43	**McDonald's Corp.**	Oak Brook, Ill.	Food	Australia, Austria, Brazil, Britain, Canada, Denmark, Germany, Hong Kong, Japan, Mexico, New Zealand, Singapore	159.7	10.1	774.4	934.1	17.1
44	**Tokyo Electric Power**	Tokyo	Utilities	Japan	153.9	NA	0.0*	153.9	100.0
45	**Matsushita Kogyo**	Yokohama, Japan	Electronics	Japan	136.5	NA	0	136.5	100.0
46	**Suzuki Motor Co.**	Hamamatsu, Japan	Automotive	Japan, Thailand	130.5	17.8	26.6*	157.1	83.1
47	**Saiyu**	Tokyo	Retail	Japan	128.4	NA	0	128.4	100.0
48	**PepsiCo Inc.**	Purchase, N.Y.	Food	Argentina, Australia, Brazil, Britain, Canada, Japan, Mexico, Pan Arabia, Singapore, Taiwan	127.7	(4.1)	786.1	913.8	14.0
49	**Standa**	Rome	Retail	Italy	126.7	NA	0*	126.7	100.0
50	**C&A**	Amsterdam	Retail	Brazil, Germany, Netherlands	122.3	(18.0)	0	122.3	100.0

Notes and sources: Advertising expenditures are in millions of U.S. dollars for year end 1989. In many countries, ad spending figures are estimates and/or gross figures. * indicates that U.S. spending figures include measured media only as reported by LNA/Arbitron Multi Media reports. All other U.S. spending figures include estimated unmeasured expenditures from AA's 100 Leading National Advertisers, Sept. 26, 1990. Non-U.S. ad spending includes only countries in the column headed "Countries in which spending was reported." Rankings of the top 10 advertisers in 38 countries begin on Page S-6. Pan Arabia includes Saudi Arabia, United Arab Emirates, Kuwait, Bahrain, Qatar and Oman. For more information, see "How to read these rankings," Page S-10.

AA chart: Kevin Brown and Ilse Germak



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Top 10 advertisers in 38 countries

Africa Middle East

South Africa Dollars are in thousands

Advertiser	1989	1988	% chg
OK Bazaars	$13.736	$14.973	(8.3)
Unilever NV	12.885	13.471	(4.3)
Checkers	12.846	11.332	13.4
Pick 'n Pay	12.227	13.425	(8.9)
SA Breweries	9.209	8.783	4.8
Toyota SA*	6.501	7.782	(16.5)
Distillers Corp	6.230	2.184	185.2
Nissan*	5.417	5.643	(4.0)
Volkswagen AG	5.378	5.643	(4.7)
Stellenbosch Farmers Wineries	5.224	4.505	15.9

Notes: Converted at 0.38694 and 0.45510 U.S. dollars to the rand. * Indicated companies are locally owned and are not included in Top 50 totals on Page S-4. **Source:** Market Research Africa

Israel Dollars are in thousands

Advertiser	1989	1988	% chg
Elite	$4.700	$2.900	62.1
Bank Hapoalim	3.700	3.600	2.8
Osem Foods	3.500	3.000	16.7
Mifal Hapayis Lottery	3.400	3.100	9.7
Bank Leumi	3.100	4.100	(24.4)
Israel Discount Bank	2.800	2.600	7.7
First International Bank	2.600	2.400	8.3
Elyashar Imports	2.500	NA	NA
Tadiran	2.400	NA	NA
Tnuva	2.400	2.200	9.1

Notes: Figures reported in U.S. dollars. **Source:** Advertisers Association of Israel

Pan Arabia Dollars are in thousands

Advertiser	1989	1988	% chg
Philip Morris Cos	$10.763	NA	NA
Procter & Gamble Co	9.564	NA	NA
Toyota Motor Corp	6.179	NA	NA
Rothmans International	6.059	NA	NA
Matsushita Electric Industrial Co	4.063	NA	NA
Nissan Motor Co	3.910	NA	NA
PepsiCo Inc	3.017	NA	NA
Sony Corp	2.492	NA	NA
Casio	2.284	NA	NA
Unilever NV	2.212	NA	NA

Notes: Figures reported in U.S. dollars. Includes spending in Saudi Arabia, United Arab Emirates, Kuwait, Bahrain, Qatar and Oman. **Source:** Middle East Marketing Research

Asia Pacific

Australia Dollars are in thousands

Advertiser	1989	1988	% chg
Coles Myer	$80.798	$80.107	0.9
Unilever NV	48.359	42.757	13.1
Kellogg Co	25.356	16.089	57.6
Telecom Australia	24.600	15.199	61.9
Amatil Ltd	23.972	24.996	(4.1)
Mitsubishi Motor Corp	23.901	13.633	75.3
Nestle SA	23.602	18.415	28.2
PepsiCo Inc	22.682	17.825	27.2
Australian Government	22.365	21.964	1.8
Toyota Motor Corp	21.931	11.284	94.3

Notes: Converted at 0.80034 and 0.75470 U.S. dollars to the Australian dollar. **Source:** Tart Research

Hong Kong Dollars are in thousands

Advertiser	1989	1988	% chg
Philip Morris Cos	$8.840	$10.380	(14.8)
Hong Tai Travel	6.940	5.120	35.5
Japan Tobacco Co	6.530	4.970	31.4
Kao Corp	5.870	4.870	20.5
McDonald's Corp	5.480	4.870	12.5
Matsushita Electric Industrial Co	5.480	5.320	3.0
Toshiba Corp	5.380	NA	NA
Sharp Corp	5.140	3.830	34.2

Hong Kong (continued)

Advertiser	1989	1988	% chg
B.A.T. Industries PLC	4.980	4.040	23.3
Sunflower Travel	4.370	4.820	(9.3)

Notes: Figures reported in U.S. dollars. **Source:** AGB Hong Kong, HK Adex

India Dollars are in thousands

Advertiser	1989	1988	% chg
Unilever NV	$12.196	$27.681	(55.9)
Colgate-Palmolive Co	4.024	7.971	(49.5)
Parle Products	3.899	NA	NA
Godrej	3.836	NA	NA
MRF	3.396	NA	NA
Nirma Chemicals	3.207	NA	NA
Videocon	3.144	NA	NA
Nestle SA	2.892	NA	NA
Procter & Gamble Co	2.830	NA	NA
Reliance	2.704	17.421	(84.5)

Notes: Converted at 0.06288 and 0.07360 U.S. dollars to the rupee.

Japan Dollars are in millions

Advertiser	1989	1988	% chg
Matsushita Electric Industrial Co	$337	$334	0.7
Kao Corp	314	338	(7.1)
Suntory	312	211	47.9
Hitachi Ltd	295	249	18.7
Mazda Motor Corp	292	175	66.9
Nissan Motor Co	260	248	4.8
Toshiba Corp	260	199	30.6
NEC Corp	257	231	11.3
Mitsubishi Motor Corp	248	249	(0.3)
Toyota Motor Corp	236	220	7.3

Notes: Converted at [illegible]0745 and 0.00769 U.S. dollars to the yen. **Source:** AA[illegible]ureau reports

Malaysia Dollars are in thousands

Advertiser	1989	1988	% chg
Rothmans International	$16.317	$11.402	43.1

Malaysia (continued)

Advertiser	1989	1988	% chg
B.A.T. Industries PLC	12.609	12.321	2.3
RJR N[illegible]e	10.755	6.091	76.6
Nestle SA	9.642	7.722	24.9
Colgate-Palmolive Co	6.304	4.587	37.4
Unilever NV	5.563	5.063	9.9
Matsushita Electric Industrial Co	3.709	NA	NA
Royal Dutch Shell	2.596	1.667	55.7
Fraser & Neave	2.225	NA	NA
Dutch Lady	2.225	NA	NA

Notes: Converted at 0.37085 and 0.38350 U.S. dollars to the Malaysian dollar. **Source:** Survey Research Malaysia

New Zealand Dollars are in thousands

Advertiser	1989	1988	% chg
Farmers	$6.817	$10.010	(31.9)
New World Supermarkets	6.099	6.255	(2.5)
F.W. Woolworth	4.876	4.242	14.9
Smiths City	4.182	4.039	3.5
Telecom Services	3.895	5.294	(26.4)
The Warehouse	3.678	2.150	71.1
McDonald's Corp	3.352	3.553	(5.6)
P[illegible]bank	3.196	3.497	(8.6)
Foodtown	2.949	NA	NA
TVNZ Advertising	2.906	2.921	(0.5)

Notes: Converted at 0.60458 and 0.65480 U.S. dollars to the NZ dollar. **Source:** AGB McNair

Singapore Dollars are in thousands

Advertiser	1989	1988	% chg
McDonald's Corp	$2.581	$2.078	24.2
Yaohan	2.504	2.068	21.1
American Express Co	2.043	1.195	71.1
PepsiCo Inc	1.598	1.604	(0.4)
Singapore Airlines	1.526	1.209	26.2
Tiger Beer	1.454	1.091	33.3
Courts Furniture	1.306	1.002	30.3

(Continued on Page S-10)

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Pie Traynor
Harmon Killebrew
Honus Wagner
Bob Feller
(Football)
Vince Lombardi
Jim Thorpe
Paul Hornung
Ernie Stautner
Tom Fears
(Olympics)
Jesse Owens
(Boxing)
Joe Louis
Rocky Marciano
Jack Dempsey

(Continued from Page S-6)

Singapore (continued)

Advertiser	1989	1988	% chg
Metro	1,203	622	93.5
Raymond Weil Watch	1,137	NA	NA
Citibank	1,101	NA	NA

Notes: Converted at 0.51212 and 0.49350 U.S. dollars to the Singapore dollar. **Source:** SRS Adex

South Korea Dollars are in thousands

Advertiser	1989	1988	% chg
Samsung Co	$39,068	$25,728	51.9
Lucky	35,678	28,408	25.6
Pacific Chemical	34,042	29,346	16.0
Lotte Group	33,401	26,130	27.8
Goldstar	28,476	24,924	14.3
Dongsuh Foods	17,678	12,998	36.0
Daewoong Pharmaceuticals	15,465	13,802	12.1
Daewoo Electronics	15,189	10,050	51.1
HaiTai Confectionery	14,644	12,998	12.7
Nongshim	14,445	13,668	5.7

Notes: Converted at 0.00149 and 0.00134 U.S. dollars to the won. **Source:** AA Bureau reports

Taiwan Dollars are in thousands

Advertiser	1989	1988	% chg
President Food Co	$17,210	$10,831	58.9
Culture Enterprise Corp	11,443	NA	NA
Nice Group	9,211	NA	NA
Matsushita Electric Industrial Co	8,035	6,826	17.7
Sampo Electric	7,894	5,453	44.8
Sam Shin Trading	7,551	4,591	64.5
Nestle SA	7,519	7,818	(3.8)
King Car Co	7,417	NA	NA
Ko Lin Electric	6,656	4,939	34.8
Kuo Lien Chemical Industry	6,478	5,744	12.8

Notes: Converted at 0.03665 and 0.03480 U.S. dollars to the Taiwan dollar. **Source:** AA Bureau reports

Thailand Dollars are in thousands

Advertiser	1989	1988	% chg
Osothsapha	$9,653	$7,766	24.3
Unilever NV	9,390	12,369	(24.1)
Colgate-Palmolive Co	8,039	8,844	(9.1)
Nestle SA	6,168	4,447	38.7
Saha Pathanapibul Co	3,936	5,249	(25.0)
T.C. Pharmaceutical Industrial	3,544	3,858	(8.1)
Matsushita Electric Industrial Co	3,128	2,883	8.5
Boon Rawd Brewery	3,002	2,451	22.4
Nissan Motor Co	2,812	2,365	18.9
Procter & Gamble Co	2,769	NA	NA

Notes: Converted at 0.03913 and 0.04174 U.S. dollars to the baht.
Source: Media Focus

Europe

Austria Dollars are in thousands

Advertiser	1989	1988	% chg
Unilever NV	$33,386	$33,118	0.8
Billa Konzern	14,778	12,183	21.3
Konsum Oesterreich	12,337	9,958	23.9
Mars Inc	11,725	10,537	11.3
Raiffeisen Bank	11,000	10,423	5.5
Procter & Gamble Co	10,630	10,716	(0.8)
Spar	10,403	8,418	23.6
Porsche AG	9,844	8,304	18.5
Henkel Group	9,746	11,107	(12.3)
Meinl	8,786	NA	NA

Notes: Converted at 0.07555 and 0.08149 U.S. dollars to the schilling. **Source:** A.C. Nielsen

Britain Dollars are in millions

Advertiser	1989	1988	% chg
Unilever NV	$177	$183	(2.9)
Procter & Gamble Co	144	151	(4.7)
Nestle SA	111	121	(8.2)
Mars Inc	100	122	(18.5)
Philip Morris Cos	92	92	0.1
Kellogg Co	84	78	7.6
British Telecom	75	78	(3.2)
PSA Peugeot-Citroen SA	72	56	30.1
Water Authorities Association	65	0	NA
Ford Motor Co	63	52	21.3

Notes: Converted at 1.67424 and 1.77170 U.S. dollars to the pound. **Source:** Campaign

Denmark Dollars are in thousands

Advertiser	1989	1988	% chg
FDB	$8,605	NA	NA
Magasin	5,148	NA	NA
Dansk Supermarked	4,786	NA	NA
Aller	3,966	NA	NA
Unilever NV	3,335	NA	NA
Illum's	2,851	NA	NA
Scandinavian Airlines System	2,789	NA	NA
MD Foods	2,768	NA	NA
Kellogg Co	2,703	NA	NA
Carlsberg Brewery	2,432	NA	NA

Notes: Converted at 0.13718 and 0.14960 U.S. dollars to the kroner. **Source:** Brogger & Nygart Dansk Markedeforing

Finland Dollars are in thousands

Advertiser	1989	1988	% chg
SKOBANK Group	$15,859	NA	NA
Valio Finnish Cooperative Dairy Assn	15,859	NA	NA
Kesko	12,361	NA	NA
Alo Concern	12,361	NA	NA
Veho	11,894	NA	NA
Korpivaara	11,894	NA	NA
OKOBANK Group	11,428	NA	NA
Philips NV	8,629	NA	NA
OKOBANK Real Estate	8,163	NA	NA
Haka-Auto	7,696	NA	NA

Notes: Converted at 0.23372 and 0.23900 U.S. dollars to the markka. **Source:** A.C. Nielsen

France Dollars are in millions

Advertiser	1989	1988	% chg
Renault SA	$159	$128	24.0
PSA Peugeot-Citroen SA	137	127	7.9
Volkswagen AG	81	65	25.5
Henkel Group	73	57	10.1
Sopad	67	68	(2.3)
Procter & Gamble Co	65	62	4.5
France Loto	60	59	0.9
Colgate-Palmolive Co	50	45	12.7
Fiat SpA	47	45	4.8
Ford Motor Co	42	44	(5.2)

France (Continued)

Notes: Converted at 0.15675 and 0.16910 U.S. dollars to the franc. **Source:** Decisions Medias

Germany Dollars are in millions

Advertiser	1989	1988	% chg
Procter & Gamble Co	$176	$172	2.5
Unilever NV	152	151	0.8
Nestle SA	120	107	12.6
C&A	112	137	(18.3)
Philip Morris Cos	101	125	(19.3)
Henkel Group	90	105	(14.5)
Mars Inc	90	91	(0.8)
German Post Office	90	76	17.7
Volkswagen AG	87	84	4.3
General Motors Corp	79	78	2.1

Notes: Converted at 0.53285 and 0.57220 to the mark.
Source: Schmidt & Pohlman, a Nielsen subsidiary

Greece Dollars are in thousands

Advertiser	1989	1988	% chg
Unilever NV	$9,140	$8,402	8.8
Sopral AE	5,427	5,767	(5.9)
Procter & Gamble Co	4,964	4,891	1.5
Colgate-Palmolive Co	4,595	4,514	1.8
Delta Dairy Products	4,107	2,848	44.2
Elias Oils	3,831	3,766	1.7
Johnson & Johnson	3,567	3,346	6.6
Triplex	2,686	NA	NA
Adams Chicot	2,567	2,385	7.6
Philips NV	2,564	NA	NA

Notes: Converted at 0.00626 and 0.00712 U.S. dollars to the drachma.
Source: AA Bureau reports

Italy Dollars are in millions

Advertiser	1989	1988	% chg
Unilever NV	$313	$373	(16.1)
Procter & Gamble Co	229	293	(21.9)
Fiat SpA	193	121	59.5
Ferrero SpA	161	133	20.6
Standa	127	NA	NA
Barilla SpA	113	106	6.3
Perfetti SpA	92	64	42.7
Renault SA	86	80	7.7
Ed. De Agostini	84	79	5.7
Saipo	83	79	4.1

Notes: Converted at 0.00073 and 0.00077 U.S. dollars to the lira. **Source:** A.C. Nielsen

Netherlands Dollars are in thousands

Advertiser	1989	1988	% chg
Unilever NV	$15,314	$15,354	(0.3)
Procter & Gamble Co	10,737	11,030	(2.7)
Rijksvoorlichtingsdienst	8,431	10,190	(17.3)
Mars Inc	8,420	10,414	(19.1)
Philips NV	6,892	8,333	(17.3)
Postbank	6,623	6,500	1.9
Albert Heijn	6,490	6,086	6.6
Heineken	6,406	8,891	(27.9)
PSA Peugeot-Citroen SA	6,153	6,675	(7.8)
Sara Lee Corp	5,907	7,921	(25.4)

Notes: Converted at 0.47195 and 0.51120 U.S. dollars to the guilder. **Source:** Adformatie

Norway Dollars are in thousands

Advertiser	1989	1988	% chg
Norske Meierier	$4,466	NA	NA
De-No-Fa Lilleborg Fabrik	3,596	NA	NA

Norway (Continued)

Advertiser	1989	1988	% chg
Norsk Tipping A/S	3,160	NA	NA
IBM Corp	2,960	NA	NA
General Motors Corp	2,900	NA	NA
S.A.S.	2,711	NA	NA
DNC	2,406	NA	NA
Hjemmet-Gruppen A/S	2,336	NA	NA
Freia	2,192	NA	NA
Mortensen Ernst G Forlag	2,113	NA	NA

Notes: Converted at 0.14541 and 0.15400 U.S. dollars to the kroner. **Source:** A.C. Nielsen

Portugal Dollars are in thousands

Advertiser	1989	1988	% chg
Unilever NV	$12,884	NA	NA
Renault SA	6,167	NA	NA
Nestle SA	5,735	NA	NA
Fiat SpA	5,008	NA	NA
Mocar	4,252	NA	NA
UNICAR	3,753	NA	NA
FIMA	3,769	NA	NA
PSA Peugeot-Citroen SA	3,091	NA	NA
Santa Casa Misericordia Lisboa	3,074	NA	NA
Ministerio Das Financas	2,959	NA	NA

Notes: Converted at 0.00640 and 0.00703 U.S. dollars to the escudo. **Source:** Nielsen

Spain Dollars are in millions

Advertiser	1989	1988	% chg
PSA Peugeot-Citroen SA	$103	$87	18.6
Volkswagen AG	85	57	47.6

Spain (Continued)

Advertiser	1989	1988	% chg
Renault SA	85	73	16.0
El Corte Ingles	77	58	32.3
Spanish Economy Ministry	76	47	59.7
Unilever NV	52	48	9.6
Fiat SpA	52	35	49.3
Nestle SA	43	43	(0.4)
Repsol SA	43	40	7.2
General Motors Corp	40	NA	NA

Notes: Converted at 0.00842 and 0.00857 U.S. dollars to the peseta. **Source:** AA Bureau reports

Sweden Dollars are in thousands

Advertiser	1989	1988	% chg
Kooperativa Forbundet	$76,894	$76,983	(0.1)
ICA AB	72,027	75,343	(4.4)
Ahlens AB	23,347	22,496	3.8
Volvo AB	20,821	12,642	64.7
Telverket	16,159	12,795	26.3
Volkswagen AG	11,826	9,614	23.0
Vivo-Favor Forbundet	11,825	8,357	41.5
Ford Motor Co	10,739	8,315	29.2
Hennes & Mauritz AB	10,632	12,654	(16.0)
General Motors Corp	10,409	7,771	33.9

Notes: Converted at 0.15595 and 0.16300 U.S. dollars to the kroner. **Source:** IMU Testalogen

Switzerland Dollars are in thousands

Advertiser	1989	1988	% chg
Migros	$44,228	$46,440	(4.8)
Coop	36,490	39,519	(7.7)
Toyota Motor Corp	15,445	16,403	(5.8)
General Motors Corp	13,567	15,988	(15.1)
Denner	12,103	17,233	(29.8)
Mars Inc	10,578	NA	NA
Ford Motor Co	9,927	9,897	0.3
Unilever NV	8,761	14,603	(40.0)
Moebel Pfister	8,265	NA	NA
HCC Automotive	8,240	NA	NA

Notes: Converted at 0.62905 and 0.69210 U.S. dollars to the Swiss franc. **Source:** AA Bureau reports

Turkey Dollars are in thousands

Advertiser	1989	1988	% chg
Unilever NV	$16,578	NA	NA
Veb Ofset	6,730	NA	NA
Henkel Group	4,871	NA	NA
Procter & Gamble Co	3,890	NA	NA
Fruko-Tamek	3,560	NA	NA
Arcelik	2,796	NA	NA
Marsa	2,450	NA	NA
AEG Portfolio	2,330	NA	NA
Ulker	2,308	NA	NA
Coca-Cola Co	2,251	NA	NA

Notes: Converted at 0.00050 and 0.00080 U.S. dollars to the lira. **Source:** Deniz Reklam Etudleri

Latin America

Argentina Dollars are in thousands

Advertiser	1989	1988	% chg
Philip Morris Cos	$6,614	$14,579	(54.6)
Unilever NV	5,281	7,086	(25.5)
Aurora SACIF	4,739	10,165	(53.4)
B.A.T. Industries PLC	4,102	9,663	(57.6)
PSA Peugeot-Citroen SA	3,012	3,921	(23.2)
Resero SA	2,958	NA	NA
PepsiCo Inc.	2,607	1,795	45.2
Nestle SA	2,544	3,986	(36.2)
Lactona SA	2,391	NA	NA
S.C. Johnson & Son	2,288	4,113	(44.4)

Notes: Figures reported in U.S. dollars. **Source:** Fuentes S.A.

Brazil Dollars are in thousands

Advertiser	1989	1988	% chg
Unilever NV	$55,319	$27,622	100.3
Pao de Acucar	49,414	17,406	183.9
Lojas Arapua	45,450	NA	NA
Philips NV	38,647	14,504	166.5
Estrela	35,176	14,990	134.7
Bradesco	35,023	NA	NA
Muppin-Casa Anglo	34,330	12,473	175.2
Nestle SA	33,772	29,013	16.4
Lopas Consultoria	31,694	11,267	181.3
Casa Bahia	28,652	9,956	187.8

Notes: Converted at 0.43610 and 3.43260 U.S. dollars to the new cruzero and cruzado, respectively. **Source:** Meio e Mesagem

Mexico Dollars are in thousands

Advertiser	1989	1988	% chg
Procter & Gamble Co	$31,429	$33,863	(7.2)
Colgate-Palmolive Co	22,726	22,876	(0.7)
Unilever NV	17,963	22,124	(18.8)
PepsiCo Inc.	16,538	25,736	(35.7)
Ind. Vitivinicolas Domecq	15,714	28,144	(44.2)
Bacardi Corp.	15,435	NA	NA
Nestle SA	13,671	17,910	(23.7)
Kimberly-Clark Corp.	13,495	18,211	(25.9)
Coca-Cola Co	13,304	9,331	42.6
Philip Morris Cos.	11,907	3,763	216.5

Notes: Converted at 0.00042 and 0.00043 U.S. dollars to the peso. **Source:** A.C. Nielsen and AA estimates

Puerto Rico Dollars are in thousands

Advertiser	1989	1988	% chg
Procter & Gamble Co	$22,928	$19,700	16.4
Unilever NV	9,631	14,700	(34.5)
Colgate-Palmolive Co	9,590	7,000	37.0
AT&T Co	5,643	4,200	34.4
Food & Spirits	5,453	6,200	(12.0)
Sears, Roebuck & Co	5,444	8,200	(33.6)
J.C. Penney Co	4,757	4,400	8.1
PRTC	4,691	NA	NA
Anheuser-Busch Cos	4,527	NA	NA
Nestle SA	4,139	NA	NA

Source: Publish Records Service

North America

Canada Dollars are in thousands

Advertiser	1989	1988	% chg
Government of Canada	$63,788	$73,264	(12.9)
Procter & Gamble Co	51,484	47,034	9.5
General Motors Corp	47,590	42,130	13.0
Molson Cos	46,475	33,032	40.7
Unilever NV	39,405	29,087	35.5
John Labatt Ltd	37,500	33,782	11.0
Philip Morris Cos	37,064	32,454	14.2
Cineplex Odeon Corp	36,381	31,170	16.7
Paramount Communications	35,654	35,805	(0.4)
McDonald's Corp	29,232	25,824	13.2

Notes: Converted at 0.83682 and 0.80230 U.S. dollars to the Canadian dollar. **Source:** Media Measurement Services

Video News Release

WARNER BROS. A TIME WARNER COMPANY

AS QUICK AS THE FFFFFLASH

In a flash—that's how fast Warner Bros. wanted the world to know about its newest super hero. And that's how fast VISNEWS Corporate Television was able to deliver. We produce and distribute video news releases in the United States and around the world. Our overseas notification and distribution network is unbeatable. VISNEWS: Your source for timely, newsworthy VNR's that work! Here and abroad!

VISNEWS NBC REUTERS BBC

in US: 212-698-4560
overseas: UK: 44-81-453-4477

How to read these rankings

Advertising Age's *fourth annual ranking of major advertisers outside the U.S. and sixth annual Global Media lineup contain data from around the world.*

Global Marketers

The advertiser ranking on Page S-4 includes media spending figures from 38 countries. *Ad Age* correspondents compiled the data. Depending on availability of reliable spending data, country lists ran from as many as 200 advertisers to only the top 10 spenders.

Research companies, media-tracking services, marketing publications and ad agencies supplied media totals available in their respective markets. All media is seldom tracked in any given country. In some cases, totals were discounted from rate card-based data to reflect market realities.

Sources are listed beneath tables titled "Top 10 advertisers in 38 countries" starting on Page S-6. All figures are given in U.S. dollars.

Source lines include currency conversion rates for both 1989 and 1988, unless research companies provided the figures in U.S. dollars.

Global Media

Circulation data collected from publishers in this report were for June 1990 compared with June 1989. Ad rates were those in effect at the same mid-year period.

Criteria for a publication's inclusion in the table on Page S-2 are:

- Substantial mass circulation on at least three continents.
- Worldwide circulation of at least 50,000 and circulation of international editions equal to at least 10% of the domestic circulation.
- Editorial content global in scope.
- Advertising in all editions purchased through a central office.

Trade publications aren't mass-circulation publications and are excluded from this listing.

Licensed publications are also excluded, because they lack central control on the advertising side. □

Coordinating this report were Kevin Brown, Ilse Cermak, R. Craig Endicott, Nancy Giges and Julie Skur Hill.

RETAILING.

Slump hits ad budgets

Poll: Retailers to squeeze tighter; print suffers

By Adrienne Ward

Never mind recession, retail advertising is starting to look like it's entering a depression.

According to a nationwide survey of 1,262 retailers, 64.9% of respondents said advertising as a percentage of sales for the fourth quarter will decrease or remain the same as last year.

Sales promotion budgets also are being squeezed, the survey indicates. Sixty-four percent of those surveyed said sales promotion as a percentage of sales will decrease or stay the same.

"There's nothing in [these results] that I would categorize as great news for anybody," said Harvey Braun, chairman of the Trade Retail & Distribution Services division of Deloitte & Touche, which conducted the survey. "This season is not going to be a boomer year no matter how you read those numbers."

The outlook for print media is particularly grim: 73.9% of respondents said they are allocating either the same amount or less of their ad budgets to newspaper run of press; 81.7% are spending the same or less on Sunday supplements; and 88.1% are allocating the same or less to magazines.

"Magazines look like the big loser here," he said. "Newspapers show a little bit of improvement but [they were down last year, so staying flat is not good]."

Newspapers rely on retail for roughly 50% of their ad expenditures. Newspaper Advertising Bureau expects total newspaper ad expenditure growth for the year to be less than 1%.

Deloitte & Touche found 82.3% of retailers believe the U.S. is in a recession now, and 70.5% think next year will be worse.

Mr. Braun said 77.9% of retailers think industry profits will be lower this year.

The survey brings even worse tidings for the coming holiday season: "97.5% of retailers said consumers will not spend more during the 1990 holiday season than they did last year. "And last year put a very great many retailers on the ragged edge," he said.

To help their bottom lines, many retailers are reducing inventory levels (AA, Oct. 15): 21.5% reported they are trimming back, while 12.8% are offering more exclusive merchandise assortments.

"Lower inventory is going to make a big difference," Mr. Braun said. "What's happening this year is more a function of retailers risking lost sales vs. the impact of having excessive inventories after Christmas."

Unfortunately, the markdown-mania of the past few years shows no signs of abating.

"I've just been in Atlanta, and there are stores there that already have 50% off outerwear now, just because it's so important not to get stuck with the inventory," Mr. Braun said. "It becomes a self-fulfilling prophecy."

According to the survey, 27.5% of respondents plan to take major markdowns earlier than last year, and 67.9% expect to make them at the same time—which also was early.

"It's already a very tough season. The Persian Gulf, the economy—these have a whirlpool effect.

"There's even more potential for a shakeout next year," Mr. Braun added. □

Retailer poll: Fourth-quarter outlook

■ Compared with last year's fall/winter season...

	Decrease	Same	Increase
Markdowns as a percentage of sales will	13.6%	50.9%	35.6%
Advertising as a percentage of sales will	17.1	47.8	35.1
Sales promotion as a percentage of sales will	9.5	54.6	35.9

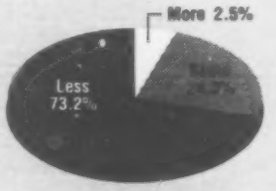
Media spending

■ How will fourth quarter 1990 spending in the following media compare with last year?

	Less	Same	More
Television	23.1%	57.9%	19.0%
Magazine	22.9	65.1	11.9
Newspaper	22.2	51.7	26.1
Radio	20.1	59.3	20.6
Newspaper inserts	17.2	64.0	18.8
Cable TV	15.2	65.1	19.7

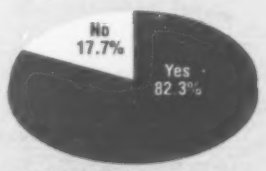
Consumer spending

■ How will consumer holiday spending compare with last year?



U.S. economy

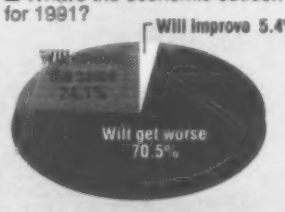
■ Is the U.S. in an economic recession?



Source: Deloitte & Touche

1991 outlook

■ What's the economic outlook for 1991?



CYNTHIA WATSON

RETAIL DETAILS

Shuttered: Retail failures increased 12.5% to 9,732 in the first nine months of 1990, according to Dun & Bradstreet Corp. Hardest hit were New England, which closed 1,562 retail establishments, up 129% from the same period last year; and the Middle Atlantic region, with 1,242 retail failures this year, a 55.4% rise. "Every industry and every state in these two regions reported sharp increases in business failures, reflecting economic stress througout the Northeast," said Joseph Duncan, corporate economist and chief statistician for D&B.

Wal-Mart opens new doors: Wal-Mart Stores is testing a new discount warehouse concept that offers manufacturers' overruns and factory closeout items. Bud's Warehouse Outlet stores have opened in West Memphis, Ark., and Franklin, Tenn. Two stores are planned for Talladega, Ala., and Houma, La.

Separately, Wal-Mart Stores has reached an agreement to acquire Wholesale Club. If the merger is approved by the chain's shareholders, Wholesale Club's 27 locations eventually will be converted to Wal-Mart's Sam's Wholesale Clubs.

Reebok steps into retail: Reebok International will open two retail stores in the next year as a "merchandising laboratory" for the shoe marketer. The company is scheduled to open one store soon on Newbury Street in Boston. It will open another store in Santa Monica, Calif., in early 1991.

Bernadette Mansur, VP-marketing communications for Reebok, said a modest amount of local advertising would announce the store openings and would most likely be handled by Boston-based Hill, Holliday, Connors, Cosmopulos.

Hot colors: What's hot? Red, white and blue—and green.

J.C. Penney Co.'s children's division reports brisk sales of clothing items featuring the American flag or patriotic symbols. Clothing with environmental messages, such as "Save our wildlife" or "Preserve our rainforests," also are widely popular. Levi, JG Hook, Cotler and Bugle Boy are among marketers promoting environmental awareness. Great American Licensing, Topico Bay and Wild Oats are touting clothing with patriotic messages.

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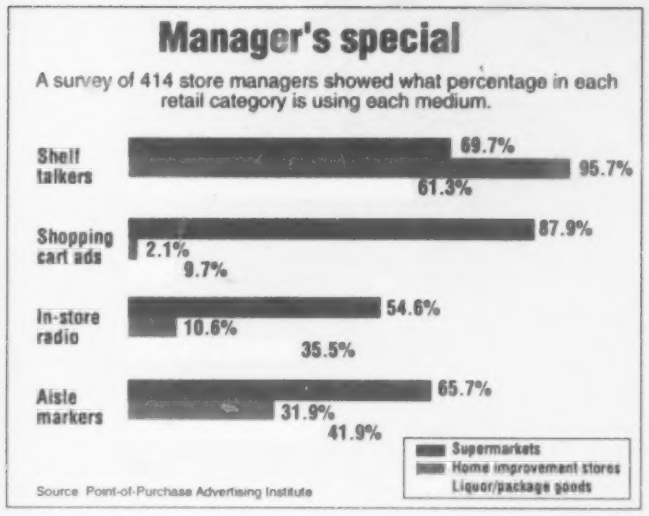

CYNTHIA WATSON

Signs of the times

Retailers respond to new in-store media

By Scott Hume

New in-store media are making inroads among retailers, but still face some resistance.

Use of manufacturer-supplied point-of-purchase signs and displays is at traditionally high levels. But retailers—especially supermarkets—also are opening their doors to newer, vendor-controlled in-store media, such as shopping cart ads, in-store radio and electronic signage.

The Point-of-Purchase Advertising Institute's 1990 Attitudes on POP Survey, released last month, measures use of and attitudes toward in-store signage, displays and media by 414 store-level managers and headquarters executives for supermarkets, liquor and package goods stores, and home improvement stores.

Use of manufacturer-supplied signage and displays was high. Among home improvement stores, 99.1% of 108 managers said they use promotional POP materials, and 74.1% said they use permanent materials. At supermarkets, 96.6% of 148 managers use promotional and 58.8% use permanent signs and displays. Among liquor stores, 97.5% of 158 managers use promotional displays; 69.9% use permanent manufacturer-supplied displays.

Such displays and signage long have been mainstays of in-store promotional marketing. But new in-store media, controlled by independent vendors rather than manufacturers, have gained acceptance *(see chart)*.

The most widely used vendor-supplied media so far are shelf talkers and, at supermarkets at least, shopping cart ads. Only supermarket managers say they use electronic signs (4%) but were the only managers not to use banners. Among home improvement store managers, 2.1% use banners; 6.5% of liquor store managers do.

Supermarket managers were the least enthusiastic about in-store media's ability to attract consumer attention.

Vendor-controlled in-store media were rated "extremely effective" attention getters by 8.1% of supermarket managers, compared with 21.3% of liquor store managers and 9.7% of home improvement store managers.

By comparison, 18.9% of supermarket managers rated manufacturer-supplied signs and displays "extremely effective" in attracting consumer attention. At home improvement stores, it was 16.7%. Only at liquor stores were traditional signs and displays received less enthusiastically (7.6%) than vendor-controlled media (21.3%).

Questions about in-store media's effectiveness with consumers may be one reason many managers don't expect to start using those media. More than half (53.1%) of the liquor store managers not using in-store media said they don't expect to use them in the future; 18.9% said they will; 27% are undecided; and 1% had no answer.

Among supermarket managers not using in-store media, expectations for future use were higher (20.4%), while 40.8% said they won't use them and 38.8% were undecided. Among home improvement store managers, 44.2% are undecided on likely future use, 40.3% said they won't and 14.3% expect they will.

POPAI's study was conducted last spring by Ehrhart-Babic Group, Englewood Cliffs, N.J. Retailers with the highest sales in each of 15 markets were interviewed in person. The margin of error is plus or minus 8.5%. []

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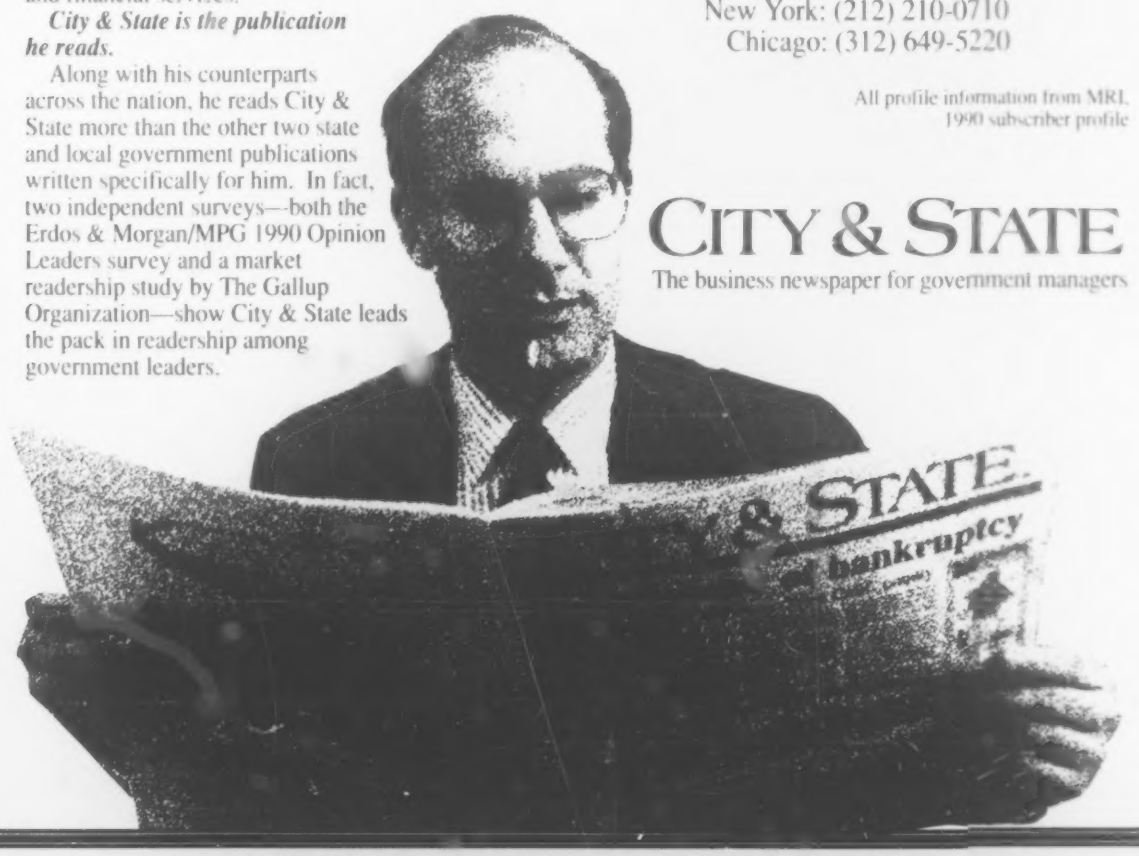


CITY & STATE
The business newspaper for government managers

March of Dimes seeks sponsors

WHITE PLAINS, N.Y.—David C. Tintle & Associates, Hoboken, N.J., is creating a merchandising program for March of Dimes Birth Defects Foundation's 1991 WalkAmerica national fund-raiser.

The promotion agency is soliciting package-goods marketers for in-store merchandising efforts reaching about 15,000 supermarkets during March and April. Marketers are guaranteed price feature, product display and point-of-purchase materials and pay a maximum of $78 per store, which includes a significant donation to the March of Dimes. []

AD REVIEW

Burger King breaks the rules of fair play, free speech defense

(Rating: No stars)

By Bob Garfield

Garfield

Sometimes you gotta be a jerk. Sometimes you gotta have no spine. Sometimes you gotta break the rules.

Assorted public relations reverses lately have pushed Burger King Corp. and D'Arcy Masius Benton & Bowles, New York, to tactical newspaper advertising that smacks of cheap opportunism and craven capitulation. The ads are breaking the rules, all right. Chief among them: If you don't have something worthwhile to say, don't say anything at all.

The first ad followed McDonald's Corp.'s highly publicized abandonment of polystyrene foam packaging, a move of dubious environmental—but monumental symbolic—significance. Maybe the worldwide front-page news coverage left Burger King feeling neglected, or maybe the company was grasping for some thin reed of competitive advantage when it bought page ads in the big national dailies.

—"Burger King applauds McDonald's for its new environmental consciousness.

Two tactical print ads from Burger King and D'Arcy Masius Benton & Bowles, New York, attempt to suggest corporate moral righteousness and project precisely the opposite.

Welcome to the club. We wonder what the planet would be like if you had joined us in 1955."

And I wonder what in the world they're talking about. Burger King's use of paper packaging in 1955 obviously had nothing to do with with preserving the environment. As for the intervening years, there's no evidence that waste disposal has been an issue there until right now—when Burger King's all-consuming green consciousness involves not-yet-started pilot composting projects in exactly three of its markets.

It's disturbing enough that McDonald's was pressured by activist groups and consumer perception to abandon heat-retaining foam before the relative ecomerits of paper and plastic were certain. But it's contemptible that Burger King would exploit the confusion with a gratuitous, disingenuous, heavy-handed and graceless little dig.

Burger King is every bit the instant-gratification archetype of the consumer society that McDonald's is. Both sell plastic food from plastic palaces, and neither should be ashamed of doing it. That millions of satisfied customers line up each day to be systematically polymerized by various versions of Atherosclerosis on a Bun is a triumph of capitalism. But to suggest that somehow moral superiority reigns at the Home of the Whopper is not only insufferably smug, it's ludicrous.

Public righteousness, though, is becoming this company's favorite theme. You may recall a year ago when, after devastating natural disasters in San Francisco and the Carolinas, Burger King ostentatiously offered to send a quarter to the disaster relief fund for every Whopper sold—perhaps the single most vulgar display of false philanthropy in the checkered history of cause marketing. Then came the McDonald's packaging flap and, in the very same week, this newspaper ad:

"An Open Letter To The American People. Burger King wishes to go on record as supporting traditional American values on television, especially the importance of the family. We believe the American people desire television programs that reflect the values they are trying to instill in their children. We pledge to support such programs with our advertising dollars. BURGER KING CORPORATION."

You can feel nothing but sympathy for Burger King for being preyed upon by a few Tupelo, Miss., scolds who have organized consumer boycotts under the banner of CLeaR-TV, or Christian Leaders for Responsible Television. The group would be better named ExtORT-TV, or Extremely Overbearing Religious Troublemakers, intent as it is to sanitize the media of homosexuality, bosoms, talking back to Dad and other threats to our way of life.

But not only has Burger King negotiated with these idea terrorists, it has employed the very sanctimonious Tupelospeak of the zealots themselves. The tortured ad copy brings to mind those spontaneous stinging broadsides on U.S. policy delivered by unshaven, emaciated hostages as videotaped by their terrorist captors. "With the angry bubbling of my blood I outrageously implore you, excellency Bush, to desist with dastardly conspiracy action underneath the flesh of the Palestine hero people!"

Burger King's submitting to these self-anointed censors is cowardly, offensive and —above all—a slur against the most important of American values, which is freedom of expression. The ad makes a mockery of the First Amendment. And that's one rule no advertiser should ever break. □

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

Election may aid ad industry issues

By Janet Meyers

WASHINGTON—This month's election results will have an impact on how some issues important to the ad industry are handled in the coming year.

"The dust is still settling," said Dan Jaffe, exec VP at the Association of National Advertisers, but changes in the makeup of the House Energy & Commerce Committee may affect proposals to restrict tobacco and alcohol advertising, which came out of that panel in the past year.

One of the biggest changes comes with the retirement of Rep. Thomas A. Luken, chairman of the Energy & Commerce Subcommittee on Transportation & Hazardous Materials, which has Federal Trade Commission oversight. Rep. Luken (D., Ohio) is a proponent of banning tobacco ads.

"As each slot is filled, you'll have a different transformation," Mr. Jaffe said of the vacancies that will occur.

Wally Snyder, exec VP at the American Advertising Federation, said the changes will be an improvement for the ad industry.

"I think we'll have an opportunity to have a better relationship with that committee," he said of Energy & Commerce.

But the coming year will see ad industry lobbyists wrestling again with tobacco advertising, which Rep. Henry Waxman (D., Calif.), sponsor of key legislation, has promised to reintroduce.

State activity also is likely to be rampant, with more proposals to tax advertising.

"States have a lot more revenue problems," Mr. Snyder said. "1991 will be a very challenging year. . . . We've been preparing our members." □

Holiday

(Continued from Page 3)

our sales are," said Rod Eaton, director of sales promotion at Target, which has 420 stores in 32 states. "This year our heavier campaign ought to drive more of those people who aren't going to department stores to Target."

Wal-Mart declined to discuss ad plans or Christmas outlook, but analysts predict the mass merchandiser will fare well this holiday season due to its wide perception as a company with the lowest prices available on general merchandise. GSD&M, Austin, Texas, is Wal-Mart's agency.

K mart is also expected to reap good sales during the holiday season, due to its high concentration of lower-price soft merchandise. The No. 2 retailer broke a print campaign last week supported by holiday-themed TV spots (AA, Nov. 12).

"Consumers are trading downward in the current economy, and retailers with a high concentration of expensive merchandise and big-ticket items are likely to get hurt this year, said L. Wayne Hood, retail analyst with Prudential Research.

Sears, Roebuck & Co., Montgomery Ward & Co. and major electronics retailers, including Circuit City and Highland Superstores, could be hurt as sales of big-ticket durables, electronics and appliances stagnate, Mr. Hood said.

"Certain types of stores will be less adversely affected by what's going on in the market," said Kurt Barnard, a retail forecaster and publisher of *Retail Marketing Report*. He said formats such as factory outlets and off-price retailers ought to fare better.

But analysts agree that any retailer with aggressive marketing programs is likely to survive the tough season better.

Sears, the nation's largest retailer, declined to reveal its expectations for the holiday season. The company will offer "some special deals and limited-time offers on certain merchandise" throughout the holiday season, said Kathy Gucfa, public relations specialist for the Sears Merchandise Group, but no specifics are yet available. The sale items won't necessarily be advertised, she said.

Sears this week starts airing holiday TV and print ads themed "Your Christmas store and a whole lot more," via Ogilvy & Mather, Chicago.

The 61-unit Department Store Division of Dayton Hudson has also planned a more conservative holiday campaign, using "Sharing the holidays with you"-themed ads created in-house and used last year, said Becky Bailey, public relations manager.

Five Sunday newspaper circulars will drop in Dayton Hudson's core markets of Minneapolis (Dayton's), Detroit (Hudson's) and Chicago (Marshall Field's).

The company will again offer its 6-year-old plush "Santabear" for $17.50 with any purchase totaling $50. Field's will offer its 5-year-old plush "Mistletoe Bear" for $30.

Jordan Marsh Stores Corp., New England's largest department store chain, this year is resurrecting its Enchanted Village, a 6,000-square-foot scaled-down re-creation of a New England town on Christmas Eve in the year 1910; it was last used in the early '70s.

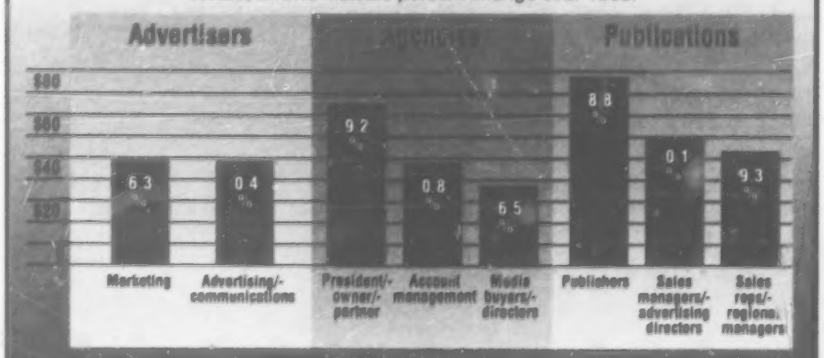
A 30-second TV commercial, created in-house, will run Nov. 18 through Dec. 5 or 6 on network affiliates in Boston. A print ad announcing the grand opening of the village ran Nov. 18 in *The Boston Globe*.

Alison Fahey and Christy Fisher contributed to this story.

DATAWATCH

Money matters

In a 1990 compensation survey of business-to-business media, marketing and advertising executives, publishers report the highest median salaries. This is followed, in order, by agency owners, partners and officers and by publication sales managers and corporate advertising directors. Bars represent 1990 salaries in thousands of dollars; arrows indicate percent change over 1988.



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Advertising Age

November 26, 1990

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LAST MINUTE NEWS

Antacid wars lead to arrest

PHILADELPHIA—FBI agents last week arrested Rebecca Lindquester, 42, co-owner of Horizon Productions, Newtown Square, Pa., charging her with trying to sell proprietary marketing information on SmithKline Beecham's Tagamet antacid to Glaxo, which markets the competitive Zantac. Ms. Lindquester is said to have approached Glaxo in September and sought $500,000 for marketing campaign information detailing a new use for Tagamet. Her company, which she owns with her husband David, had been asked by SmithKline to bid on a contract to produce a videotape that would train sales representatives on the new use for Tagamet.

HDM partners sign breakup pact

NEW YORK—The three partners in HDM have signed a preliminary agreement that will allow Paris-

(Continued on Page 8)

MCI calls on Messner in battle against AT&T

By Jon Lafayette

MCI Communications Corp. has enlisted Messner Vetere Berger Carey Schmetterer, New York, to join its fierce uphill marketing battle against AT&T Co.

Messner, a 4-year-old agency whose billings will nearly double after adding the long-distance phone company's $51 million account, replaces Wells, Rich, Greene, which had handled MCI since 1987.

To help pitch the account, Messner called in Roger Ailes, a political consultant known for his combative campaign style.

The agency, 51% owned by French agency group RSCG Group, was a long-shot late-starter in a costly review that in addition to WRG included BBDO Worldwide; Levine, Huntley, Schmidt & Beaver; and Hal Riney & Partners, all New York; and Hill, Holliday, Connors, Cosmopulos, Boston.

"We chose Messner based on their creative strength and their knowledge of the long-distance telephone industry," said Pam Small, public relations manager for MCI.

Executives at Messner had worked on MCI while the account was at Ally & Gargano, New York, in the early 1980s and reportedly maintained relationships with MCI staffers who became decision-makers during the company's latest reorganization.

WRG executives said management changes at MCI doomed their chance of keeping the account.

Messner Partner Ron Berger acknowledged that famil-

(Continued on Page 59)

Colgate axes global ads; thinks local

By Laurie Freeman

Colgate-Palmolive Co.'s shift to a country-by-country ad strategy will be a basic element in the company's long-term growth plans, Chairman-CEO Reuben Mark told securities analysts last week.

Executives attending the meeting said Mr. Mark stated Colgate will emphasize in-depth international marketing of its major brands—Colgate, Palmolive, Fab and Ajax.

Doug Goodman

R. Mark

The localized ad strategy is markedly different from that pursued by Clay Timon, Colgate's former VP-director of worldwide advertising.

Mr. Timon, who advocated global advertising, resigned in September after Colgate decided to decentralize the advertising function and turn responsibilities over to individual operating units.

Colgate's advertising and marketing in the '90s will be tailored specifically to local markets and countries, said industry analysts contacted by *Advertising Age*. There will be little, if any, global advertising, these sources said.

To underscore that point, they said, TV commercials from different countries were shown and no two were alike.

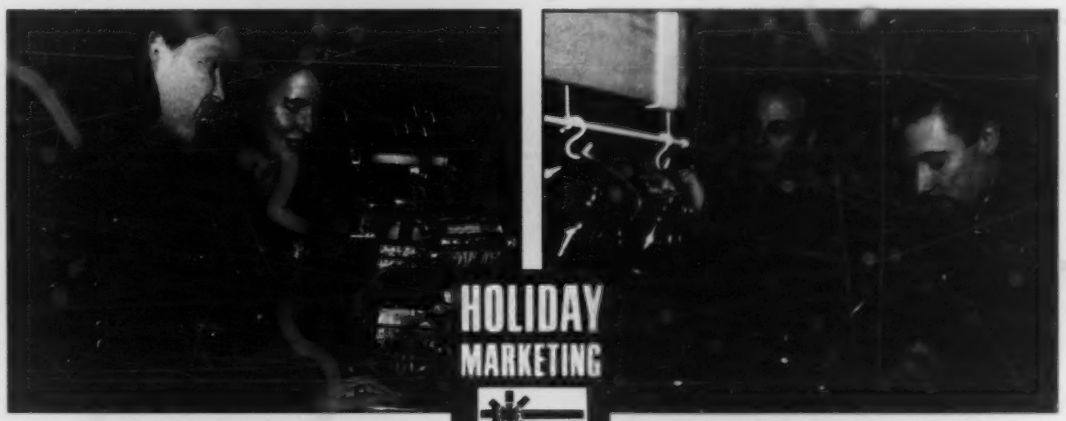
Colgate executives declined comment; when contacted by phone, Mr. Mark said he wouldn't discuss the meeting.

Although Colgate didn't discuss specific ad budgets, noting only that advertising as a percentage of sales is likely to increase, securities analysts said the company intends to further pare promotional spending and pump those dollars into media advertising.

Colgate, whose measured media spending fell 10% through the first half of 1990 compared with last year, is expected to post U.S. ad spending of $222 million this year. Colgate spent $246.3 million on advertising in the U.S. last year. *Advertising Age* estimates Colgate spent $257 million outside the U.S. in '89, a budget expected to maintain a pace similar to U.S. spending for 1991 to 1995.

According to industry analysts, Mr. Mark said Colgate

(Continued on Page 59)



Photos by Bruce Hucher

Sisters Allison and Ann Frenett select gifts at Marshall Field's in Chicago.

New Yorkers David Gottlieb and Joe Mischaud shop at Crate & Barrel's newest Chicago store.

CAUTIOUS KICKOFF

Shoppers swarm stores, but rein in spending

An Advertising Age roundup

Consumers crowded into retail stores last Friday, the official kickoff of the holiday selling season, but cautious shoppers didn't go on a spending spree.

Many retailers, including R.H. Macy & Co., Abraham & Straus, Bloomingdale's and Saks Fifth Avenue, reported heavy traffic the day after Thanksgiving, traditionally one of the biggest shopping days of the year.

But, while most retailers said the cash registers were ringing, industry experts and an informal survey of shoppers conducted throughout the day by *Advertising Age* indicated that overriding concerns about the economy and the Middle East are causing consumers to hold back.

"Most people are scaling back their budgets," said Kurt Barnard, a New York-based retail forecaster and publisher of *The Retail Marketing Report*. "Yes, people will be out and people will be buying today, but many are browsing and shopping carefully. [If they are buying] they are buying bargains."

"Most people are scaling back their budgets. . . . many are browsing and shopping carefully. [If they are buying] they are buying bargains."

Mr. Barnard, who said sales were slower last Friday compared with a year ago, predicted most consumers "will buy fewer items this year, and the average amount for each [item] will be lower."

Philip Brous, professor of retailing at Columbia University's Graduate School of Business, summed up this year's gift shopper as "cautious. The stores are always mobbed the day after Thanksgiving, but I think sales will be lighter than a year ago."

He added that fourth quarter 1990 retail sales may show declines compared to 1989 when they were up slightly over 1988.

Several retailers acknowledged a slowdown in consumer spending.

"A lot [of consumers] are looking. . . . a few are buying," said John Grounds, a Radio Shack store manager in Arlington, Texas.

"It's slower than the previous

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How Robin Burns is reshaping Estee Lauder P. 26 • **Special Report on Media Outlook** After P. 42

NEWS SUMMARY

■ **Consumers crowded** into retail stores on the day after Thanksgiving, the official kickoff of the holiday selling season, but cautious shoppers didn't go on a spending spree. 1

■ **MCI Communications** has selected Messner Vetere Berger Carey Schmetterer to succeed Wells, Rich, Greene on its $51 million account, nearly doubling the billings of the 4-year-old New York agency. 1

■ **Colgate-Palmolive** will emphasize in-depth international marketing of its major brands and is shifting to a country-by-country ad strategy, Chairman-CEO Reuben Mark told securities analysts. 1

■ **American Honda's** Acura unit is looking to its second-generation Legend sedan to defend its leadership among Japanese luxury cars. 3

■ **Thomas J. Lipton Inc.** is cutting its work force, blaming the poor economy. But observers cite poor marketing practices, which the company says it will change. 3

■ **Gallo** is backing its Tott's champagne with a yearend TV blitz that could reach $8 million. 3

■ **Volvo** has until Nov. 30 to deliever documents relating to earlier TV commercials to the Texas attorney general following admission its "monster truck" spot was rigged. 4

■ **Christopher Whittle** says he wants to remain chairman of Whittle Communications beyond the 1993 deadline set when Time Warner bought a 50% stake in the company. 10

■ **Ad spending reductions** during recession hurt market share and bring little additional profit, a study says. 12

■ **Alcohol and tobacco** marketing restrictions, ranging from counteradvertising to a total ad ban, are recommended in two new studies. 22

■ **Estee Lauder USA** advertising is adding touches of sensuality and fantasy under the leadership of former Calvin Klein executive Robin Burns. 26

■ **McDonald's** advertising was No. 1 in awareness for the second month in the AdWatch survey. 28

■ **Highland Superstores** is featuring the actor who plays Special Agent Q in the James Bond movies in new advertising promising lowest prices. 30

■ **Audit Bureau of Circulations'** new stance on auditing unpaid circulation has won some magazines over from the Business Publications Audit of Circulation. 31

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■ **Portable personal computers** are the fastest-growing industry segment, said observers at the Comdex computer dealer trade show. 52

■ **Video News Network** says it plans to introduce an ad-supported programming network for stores that rent or sell videocassettes. 58

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Survivor testifies in Chilko lawsuit

By Ira Teinowitz

CHICAGO—DDB Needham Worldwide launched its defense in a civil suit stemming from the 1987 Chilko River tragedy last week, after a U.S. District Court jury heard graphic testimony about the accident from John W. Collins, retired former president of Clorox Co.

Mr. Collins alone remained on board a raft after it struck a rock in the whitewater accident in British Columbia, dumping 11 others into the river. Five died.

The wrongful-death lawsuit now being heard was filed by the family of James Fasules, who died in the accident. He was a retired DDB Needham senior VP-management representative.

The family is claiming the trip was sponsored by DDB Needham and that the agency failed to take adequate care in choosing a guide, overseeing the trip and explaining the dangers to the men taking it.

DDB Needham contends the trip was organized for friends by Al Wolfe, the now-retired former president of its U.S. division.

Last week, the agency presented one witness before it started its defense. The trial resumes today.

Ken Stewart, British Columbia's manager of outdoor recreation, testified that at the time of the accident, the province's only licensing and safety requirements had been drawn up by an industry committee that included Ron Thompson, the guide hired by the agency.

DDB Needham this week is expected to contend Mr. Thompson's procedures were common on the river at the time and that Mr. Thompson was a respected guide.

Earlier in the week, Mr. Collins testified to the turmoil immediately after the accident; his being unable to rescue Mr. Fasules; and his successful rescue of Earl Madsen, an attorney.

Mr. Collins told the jury that immediately after the accident, he could see the men who had been thrown from the raft, including Robert Goldstein, VP-advertising at Procter & Gamble Co., who appeared dead or semiconscious (Mr. Goldstein drowned). Then he saw Mr. Fasules.

"His eyes were moving," Mr. Collins said during questioning by Brian L. Crowe, an attorney for the Fasules family.

"And his eyes were saying to you, 'Please help me'?" Mr. Crowe asked.

"That is the way I interpreted it," Mr. Collins responded.

J. Collins

"He couldn't raise up his arms or wouldn't because the life jacket was up pretty high on him?" Mr. Crowe asked.

"I don't know whether it was wouldn't or couldn't, but his arms were not up. His arms were underwater," Mr. Collins said.

"And you grasped his [life] jacket. You saw that all you were doing was pulling it higher?" Mr. Crowe asked.

"It already appeared to be too high on his body, and when I pulled on it I moved it further up his body," Mr. Collins said.

"You realized that you couldn't help him, so you let go?" Mr. Crowe asked.

"Yes, sir," responded Mr. Collins, who next saw Mr. Fasules when he identified his body that night.

Mr. Collins said Michael Miles, then president of Kraft Inc.; Art Zykiel, president of Merrill Lynch Assets Management; and Mr. Thompson were able to scramble out of the water quickly. Mattel Exec VP Joseph Morrison also got out.

Mr. Collins said he was almost unable to rescue Mr. Madsen, who had grabbed the raft but couldn't get in.

"The raft was spinning around, and I was unable to control it," Mr. Collins said ". . . I later found out it was because Mr. Madsen was holding onto the side and acting like a kind of anchor. . . . He is a big man, and I don't have a great deal of upper-body strength."

After securing the raft, Mr. Collins was able to help Mr. Madsen. He immediately saw that Mr. Madsen seemed to be suffering from hypothermia.

"He was shivering uncontrollably. . . . so I took off my life jacket and took off his life jacket and took off my shirt and took off his shirt and cut away . . . the hood of his windbreaker. And then I embraced him on the shore—with, you know, naked torsos—and after just a few minutes, he started to get warm and I started to get cold, so it had worked."

The two then crawled up a 200-foot bank and walked along the river for more than 2 hours before being spotted by a helicopter.

In other testimony last week, Les Bechdel, an Idaho river guide and author of a book on river safety, said Mr. Thompson failed to exercise even minimal whitewater industry safety standards for the major stretch of rapids.

Mr. Bechdel said those on the trip should have received extensive emergency safety instructions, worn wet suits and perhaps helmets, and been on several rafts instead of one.

Instead, he said, the outfitter used one raft and apparently gave few safety instructions and didn't properly check life jackets. Mr. Bechdel said proper instructions would have assured Mr. Fasules' life jacket had remained in proper position and let Mr. Collins know there were ways to pull him into the raft without lifting him.

Also killed in the accident were Richard O'Reilly, national director, Media-Advertising Partnership for a Drug-Free America; and two DDB Needham senior VPs, Stuart Sharpe and Gene Yovetich. □

Thatcher exit may boost ads

By Sean Kelly

LONDON—Advertising executives and analysts here were cautiously optimistic about the future of the U.K. ad industry after the decision last week of Prime Minister Margaret Thatcher to resign.

Mrs. Thatcher's three election victories during her 11 years in office were engineered by Saatchi & Saatchi Co., which became famous for the high-profile account. Saatchi resigned the Conservative Party business in 1987 after her final victory.

A Saatchi official who didn't want to be identified declined to predict whether Saatchi would work again for the Conservatives.

"At this point, we just couldn't say," the official said. "We may or may not be on a pitch list. It's one of those things you don't necessarily know beforehand."

Advertising executives generally said they weren't overly concerned about which of the three candidates becomes the next prime minister. The contenders are Chancellor of the Exchequer John Major, Foreign Secretary Douglas Hurd and Michael Heseltine, the former defense minister who mounted the challenge that toppled Mrs. Thatcher.

M. Thatcher

Ad executives said all three are unlikely to make radical changes. They did, however, express concern about how the new prime minister would tackle the current U.K. recession, which is causing ad spending to plunge.

Of the three candidates, Mr. Heseltine has the closest connection to the ad industry. He's a major shareholder in Haymarket Publishing Group, which owns U.K. advertising trade magazine *Campaign*. Mr. Heseltine and Saatchi Chairman Maurice Saatchi worked together 20 years ago when Mr. Saatchi had his first job in project development at Haymarket.

"Advertising agencies will be looking to the new prime minister to get the economy back on course," said Adrian Birchall, vice chairman of D'Arcy Masius Benton & Bowles. "If the interest rates come down, mortgage rates come down and consumer spending will increase. That's one of the two main factors that affect advertising budgets."

Mr. Birchall said the new government will probably continue Mrs. Thatcher's policy of large government ad budgets.

Mrs. Thatcher will leave office this week after a new prime minister is chosen by the 372 members of Parliament belonging to the Conservative Party. The Conservatives don't have to call an immediate general election but must do so within the next 18 months. They will be challenged by the opposition Labor Party, and it can be expected that both parties will break major ad campaigns. Neither has an official ad agency of record. □

McD's beats politics

By Kate Fitzgerald

McDonald's Corp. won first place in last month's survey of advertising awareness, thanks to its "McMillions on NBC" contest promotion with NBC.

For the second consecutive month, McDonald's was No. 1 among the top 10 best-recalled advertisers in *Advertising Age's* monthly AdWatch survey.

The McDonald's-NBC $35.5 million cash giveaway promotion broke in early October and aired throughout the month, supported by ads for both McDonald's and NBC. TV spots were handled in-house by NBC or by McDonald's agency Leo Burnett USA, Chicago.

AD AGE GALLUP SURVEY

Politics dominated the local ad scene in October, as political ads for the Nov. 6 election ranked second among the top 10.

Automobiles placed third again, proving that escalating oil prices haven't slowed the pace of automobile ads. Chevrolet placed fourth among the top 10, up two slots from the previous survey.

Anheuser-Busch's Budweiser and Bud Light brands tied for fifth place in the survey with Pepsi-Cola, moving up from 10th place in the previous survey. Ford slid to seventh from its fifth place finish in September.

AT&T returned to the top 10 after a three-month hiatus, placing eighth thanks to higher awareness from its "Get it in writing" advertising from N W Ayer, New York. AT&T was among the top 10 from last April through June, due to the launch of its Universal credit card.

Coca-Cola's awareness slipped sharply in the latest survey, to ninth place from second in September, repeating the experience Pepsi-Cola had one month ago. Both cola marketers ended their heaviest ad campaigns of the year on Labor Day, though Diet Coke was advertised through September.

Nike continued to stroll down the charts as its back-to-school advertising tapered off, putting the shoe marketer at the bottom of the top 10. Nike placed fourth in September's survey and was second in August.

In aided awareness, Buick was among the top 5 best-recalled car and truck advertisers for the second time this year, placing fourth. Chevrolet led the category with 21.4%, followed by Ford with 20.8%, Toyota with 8.3%, Buick with 3.8% and Chrysler with 3.6%.

Dr Pepper also resurfaced in aided awareness of soft drink advertisers. Pepsi-Cola led the soft-drink category with 39% awareness, followed by Coca-Cola with 34.2%, Diet Coke with 6.7%, Dr Pepper with 5.1% and 7UP with 1.5%. Dr Pepper was last mentioned in aided awareness of soft drinks in February.

AdWatch is a joint project of *Ad Age* and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days. Last month, 1,000 adults were polled by phone. The survey's margin of error is plus or minus 3.1%. □

AdWatch survey of advertising awareness Top 10 in October

In October, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind?

Rank 10/90	Rank 9/90	Advertiser	Agency
1	1	McDonald's	Leo Burnett USA
2	—	Political ads (general)	Various
3	3	Automobiles (general)	Various
4	6*	Chevrolet	Lintas:Campbell-Ewald
5*	6*	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/-DDB Needham Worldwide
5*	10	Pepsi-Cola	BBDO Worldwide
7	5	Ford	J. Walter Thompson USA
8	—	AT&T	N W Ayer/Ogilvy & Mather/-Young & Rubicam
9	2	Coke/Coca-Cola	McCann-Erickson Worldwide
10	4	Nike	Wieden & Kennedy

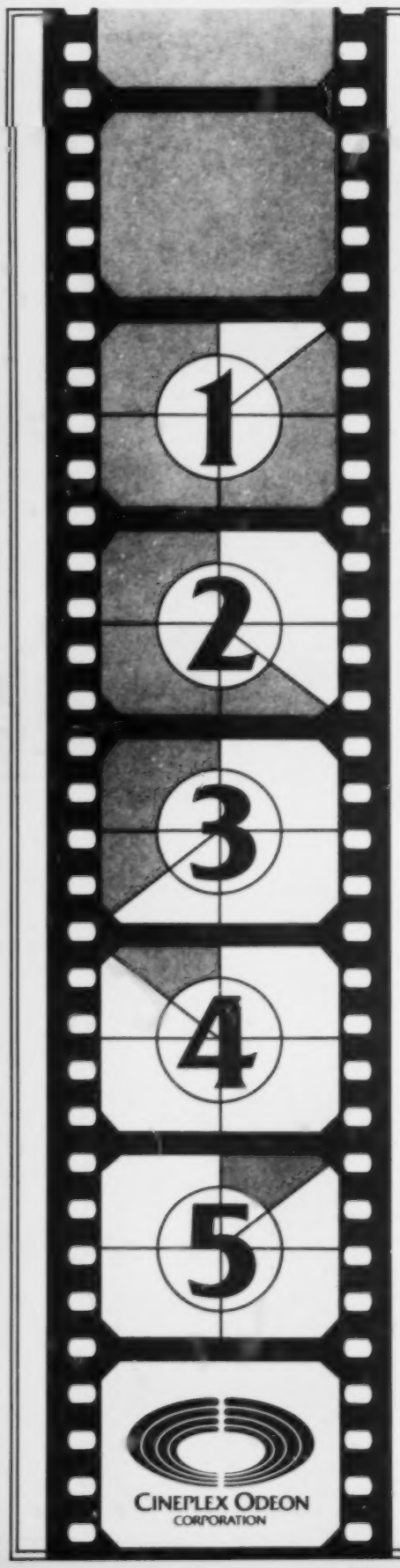
* Indicates tie. Source: Gallup Organization, Lincoln, Neb.

Danskin taps fitness guru

NEW YORK—Danskin has signed exercise guru Jake Steinfeld as its first male spokesman.

Mr. Steinfeld and his models will wear Danskin bodywear on his ESPN health and fitness show, which starts in January.

Also, Danskin is negotiating with Mr. Steinfeld to license the "Body by Jake" name for exercise clothes that would be supported with ads featuring Mr. Steinfeld. Danskin handles advertising in-house. □



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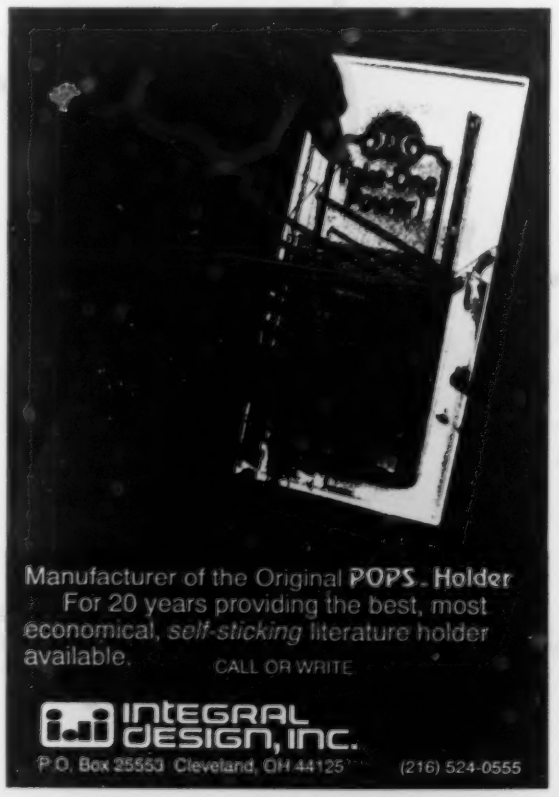

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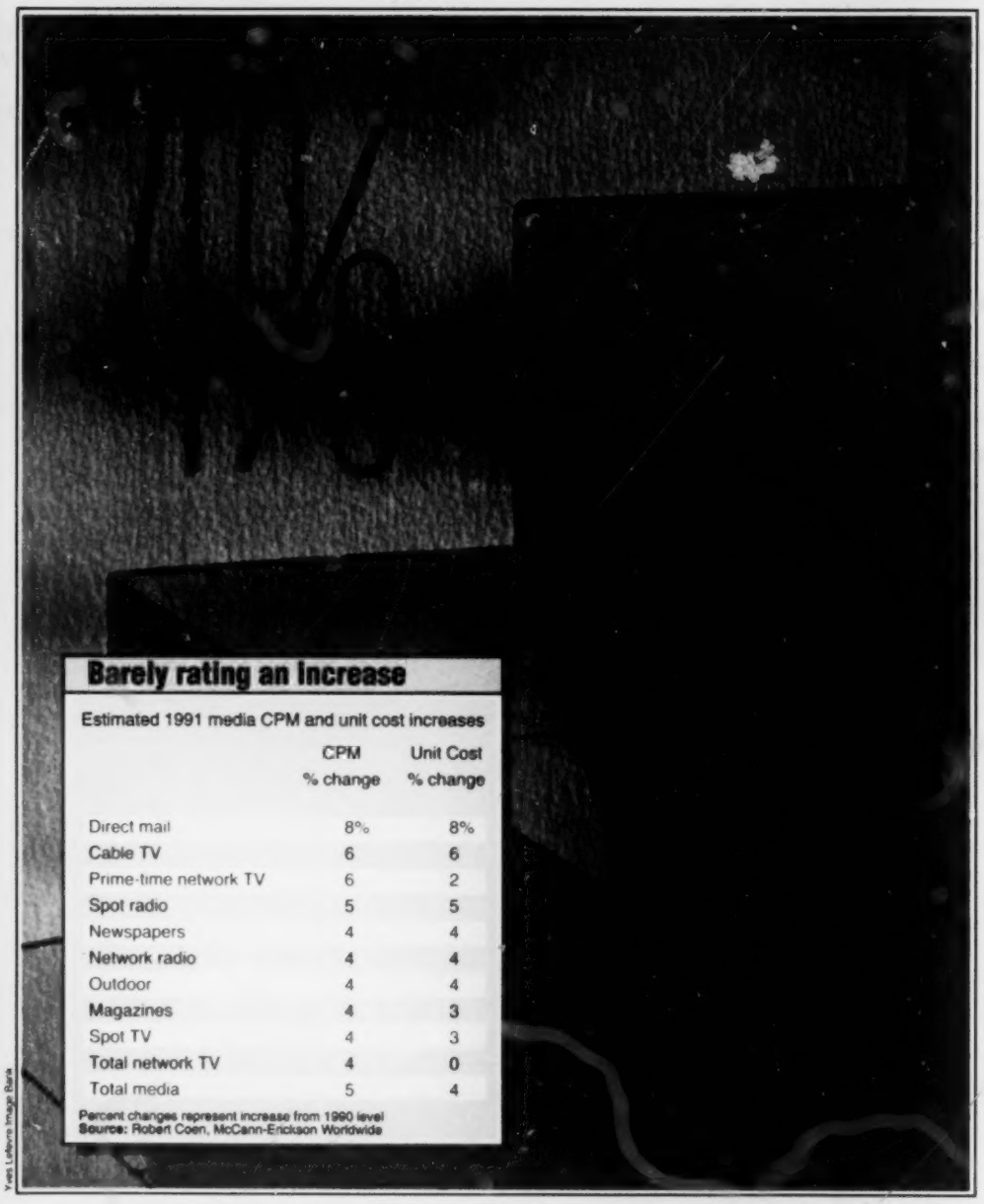
SPECIAL REPORT

MEDIA OUTLOOK

Edited by Junu Kim



Barely rating an increase

Estimated 1991 media CPM and unit cost increases

	CPM % change	Unit Cost % change
Direct mail	8%	8%
Cable TV	6	6
Prime-time network TV	6	2
Spot radio	5	5
Newspapers	4	4
Network radio	4	4
Outdoor	4	4
Magazines	4	3
Spot TV	4	3
Total network TV	4	0
Total media	5	4

Percent changes represent increase from 1990 level
Source: Robert Coen, McCann-Erickson Worldwide

Yves Lefevre Image Bank

Lid to clamp down hard on media pricing

Most 1991 media costs won't climb past 4%, Coen says

Media buyers, look at the percentage to the left. Memorize it. Blow it up to poster size and hang it on your wall.

You have just seen your benchmark for 1991 media negotiations.

Media cost maven Robert Coen, senior VP-director of forecasting at McCann-Erickson Worldwide, says cost-per-thousand and unit cost increases for most media will average about 4% in 1991.

Wary of the economic uncertainty, advertisers are holding firm on media price increases—and media are falling in line.

Mr. Coen had predicted 1990 media cost increases would match the Consumer Price Index. Following the Middle East crisis, increasingly pessimistic economic indicators and the soft ad market, Mr. Coen now says final 1990 unit cost increases will lag behind the index.

And he's not too gung-ho on 1991. "Now we are even less optimistic about the outlook for improving ad demand. The lid on media price rises will be screwed down even tighter, and in 1991 media price hikes are expected to lag behind inflation," he says.

This year, the CPM increases for network and spot radio, outdoor and direct mail all fell below inflation. In 1991, Mr. Coen predicts the CPMs of only two media—direct mail and cable TV—will top the expected 5% inflation rate.

Direct mail, about to be bludgeoned by an impending postal rate increase, is the most notable exception at 8%.

Cable, which exacted stunning increases in recent years of 12% to 15%, will see unit cost and CPM increases tumble to a more comparable 6%.

The big loser in 1991 is network TV, which commanded the greatest CPM increase of all media in 1990 at 8% for all TV and 9% for prime time.

An anticipated prime-time CPM increase of 6% is explained more as a result of audience drops than cost increases. Prime-time unit costs are increasing only 2%.

In the worst showing by a medium since network radio's unit costs dropped 2% in 1988, Mr. Coen predicts network TV will be the only medium that won't be able to sell buyers on a cost increase next year. □

TV buyers go gunning for guarantees

Upfront placements in jeopardy if Big 3 fool with buyers' rules

By Wayne Walley

A potential clash between advertisers and the Big 3 networks over ratings guarantees could jeopardize next year's upfront buying season.

Many believe if the Big 3 again insist on including an alternative viewer-counting method in their ratings guarantees, the TV marketplace and the relationship between buyers and sellers will change dramatically.

"The whole question of buying upfront next year has to be seriously considered," says Allen Banks, exec VP-media director, Saatchi & Saatchi Advertising, New York.

"You commit when you know you will get what you expect. Then it makes sense to advertise upfront," he says. "If guarantees are less than solid and the networks deal with you differently, then the ways business operates have to change, and they are changing."

ABC, CBS and NBC insisted on implementing a controversial viewer-counting formula as part of upfront deals last summer.

This plan would ease network responsibility to provide advertisers with make-goods—free ad time to compensate for shows that don't deliver a promised rating—if TV usage levels reported by Nielsen Media Research inexplicably drop again this year.

Recent Nielsen numbers reveal a continued loss of network viewership. In September, the Big 3 captured 62% of the prime-time audience, compared with 65% the previous September. Late-night network audiences declined even more, from 56% to 51%.

Larry Hoffner, exec VP-sales for NBC, says the NBC-devised formula was merely a self-defense mechanism to protect the networks against potential irregularities in Nielsen's figures.

"We did this with mixed emotions," Mr. Hoffner says. "We hope to see the whole year come through without any glitches or stuff that's unexplainable in the numbers reported by Nielsen. We are all hoping to get back to doing business as usual."

Those in the buying community expect the networks to push for more ratings guarantee concessions during next year's upfront selling season.

"Compromising guarantees is a long-term network goal," says Gene DeWitt, president of DeWitt Media, New York. "The networks will keep working at it. They will

(Continued on Page S-2)

INSIDE

TV S-2
Fix the programming content, not ratings system, buyer urges.

Magazines S-4, S-5
Buddy system helps books build synergy and ad pages.

Cable S-6, S-7
Hefty budgets, big price hikes for media buyers' darling.

Newspapers S-8, S-9
Retailers rip price hikes, targeting; publishers look elsewhere.

Radio S-10, S-11
Efficiency just not enough anymore as the norms are changing.

Outdoor S-12
Stiff winds of competition force board companies to wake up.

Non-traditional S-14
Plenty of ideas, but clients, shops insist on results.

MEDIAWORKS

OCTOBER AD RESULTS

Fourth quarter looks grim

By Scott Donaton

The fourth quarter isn't likely to bring a turnaround for the magazine industry.

Ad pages dipped 6% to 17,744 in October, compared with the same month in 1989, Publishers Information Bureau reports. For January to October, ad pages in PIB-tracked titles totaled 140,252.8, a 3.7% decline from the same period last year.

Most surprising, perhaps, was the October dip in ad revenues, which have been rising this year despite the ad page falloff. Ad revenues for the month reached $712.4 million, a 2.5% decline. Ad revenues through October totaled $5.5 billion, a 1.8% gain.

Automotive revenues dipped in October after three consecutive months of double-digit gains. The industry's largest category was off 2.1% with revenues of $91.6 million. For the 10 months, auto revenues remained flat at $718 million, a 0.07% decline.

Food and food products revenues took an unexpected 21.7% plunge in October to $38.3 million. Revenues in the category remained strong for the 10-month period, however, at $373.7 million, up 4.7%.

Cigarette/tobacco spending continued its downward spiral with revenues of $27.4 million in October, down 23.8%. Year-to-date tobacco revenues were off 26.6% at $244.7 million.

Magazine Publishers of America Exec VP James Guthrie said the October results reflect not only softness in magazine spending but the strength of October 1989, a month in which seven of the top 10 categories showed double-digit increases over the same month in 1988.

By comparison, five of the top 10 categories were down last month and just two—computers/office equipment/stationery ($44.5 million, up 17%) and retail ($30 million, up 27.2%)—registered significant gains.

This year's October ad pinch hit a number of magazines that seemed immune to the drought. *Forbes'* ad pages fell 12.1% to 697 in October, leaving the every-other-weekly up 0.6% with 3,182.18 pages in 10 months.

Good Housekeeping was the only one of the "Seven Sisters" women's service titles up in ad pages this year. But the Hearst Corp. monthly carried 162 ad pages in October, down 2.4%. In the first 10 months of 1990, it carried 1,387.04 ad pages, up 5.2%.

PIB's January-October data paint a bleak picture for many titles, including a number of magazines that were considered among the industry's hottest during the 1980s.

American Health's ad pages fell 42.7% through October to 353.1. *The Cable Guide* was off 25.7% with 276.7 ad pages. *Mother Earth News* carried 301.6 ad pages, a 21.1% drop.

Women's magazines have been the hardest hit by the ad page squeeze. *Family Circle*, last year's women's service leader, saw ad pages fall 16.9% to 1,347.13. *McCall's*, with 807.2 ad pages, was down 13% from the same period in 1989, and *Woman's Day* was down 21.8% with 1,163.62 ad pages.

Ladies' Home Journal's ad pages were down just 4% to 1,214.87, a fairly strong performance in a weak field.

Among other women's books on the slide: *Cosmopolitan* (1,768.28, down 9.3%); *Glamour* (1,556.03, down 6.1%); *Mademoiselle* (1,275.92, down 7.6%); *New Woman* (788.91, down 5.9%); and *Savvy Woman* (307.9, down 30.9%).

A handful of magazines continued to buck the trend, registering strong gains after 10 months.

The North American edition of *The Economist* carried 2,201.12 ad pages, up 13.7%. *Mirabella's* ad pages totaled 885.76, a 79.2% jump. *Art & Antiques'* 684.56 ad pages were up 12.3% over the same period in 1989. *Parenting* saw pages rise 18.2% to 624.67. *Decorating Remodeling's* ad pages soared 75.9% to 360.5. And *Cooking Light* was up 14.9% with 295 ad pages. □

Wayne Walley coordinates MediaWorks.

Magazine ad page leaders

Publishers Information Bureau figures for January-October 1990.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Business Week	3,436.91	(12.5)	194,704,604	(6.7)
2	Forbes	3,182.18	0.6	137,445,808	7.5
3	People	2,804.63	(6.2)	265,665,096	3.3
4	Fortune	2,770.67	(8.9)	133,253,754	(1.1)
5	Bride's	2,711.59	(4.0)	48,051,921	3.2
6	Vogue	2,467.51	(10.6)	89,435,536	8.3
7	TV Guide	2,416.09	(9.2)	260,671,899	(1.0)
8	The Economist	2,201.12	13.7	19,225,832	28.4
9	Modern Bride	2,176.07	2.3	35,457,671	8.1
10	Time	2,158.88	(2.3)	301,904,054	0.0
11	Sports Illustrated	2,085.83	(13.1)	260,863,524	(3.1)
12	New York Magazine	2,072.03	(14.4)	33,324,199	(9.5)
13	Elle	1,866.74	0.2	54,938,973	10.0
14	Newsweek	1,797.79	(8.1)	200,878,797	0.4
15	The New Yorker	1,777.58	(0.6)	45,211,124	11.7
16	Cosmopolitan	1,768.28	(9.3)	106,424,401	2.0
17	Entrepreneur	1,682.06	13.0	16,285,845	38.1
18	GQ	1,614.07	(11.3)	39,241,987	(2.3)
19	U.S. News & World Report	1,609.80	0.4	127,914,047	6.9
20	Glamour	1,556.03	(6.1)	78,674,204	4.5
21	Rolling Stone	1,537.18	(0.9)	57,750,470	4.7
22	Architectural Digest	1,496.74	0.7	39,545,954	8.5
23	American Way	1,450.71	(6.1)	20,031,335	19.9
24	Good Housekeeping	1,387.04	5.2	131,704,178	13.6
25	Yachting	1,366.32	(3.5)	8,473,992	(0.9)
26	Family Circle	1,347.13	(16.9)	109,771,330	(9.7)
27	Mademoiselle	1,275.92	(7.6)	41,472,044	1.2
28	Town & Country	1,260.40	(1.0)	50,835,193	12.5
29	Sunset	1,227.18	(2.5)	38,087,778	3.3
30	Skin Diver	1,217.42	5.7	11,424,535	12.3
31	Ladies' Home Journal	1,214.87	(4.0)	87,251,456	6.4
32	Vi	1,202.98	(10.0)	27,541,322	2.6
33	Harper's Bazaar	1,173.80	(3.0)	30,726,069	3.9
34	Vanity Fair	1,171.62	3.1	39,608,715	24.3
35	Parents	1,168.49	(4.0)	47,107,155	(1.4)
36	Woman's Day	1,163.62	(21.8)	83,376,080	(25.4)
37	Travel & Leisure	1,128.98	(6.4)	46,460,434	11.5
38	Texas Monthly	1,125.00	2.6	12,781,621	8.1
39	Golf Digest	1,089.79	(3.7)	55,827,743	3.0
40	Car & Driver	1,085.55	2.4	41,173,800	(4.5)
41	Seventeen	1,067.37	(9.1)	32,481,671	(5.4)
42	Self	1,060.99	(2.9)	39,211,952	14.0
43	Southern Living	1,042.26	(6.9)	52,868,130	2.8
44	Muscle & Fitness	1,036.93	(19.0)	17,776,766	(10.1)
45	Gourmet	1,026.95	5.3	27,129,123	15.8
46	Better Homes & Gardens	1,022.82	(11.3)	116,602,793	(5.9)
47	Popular Photography	1,018.18	18.3	24,457,755	30.0
48	Esquire	999.85	(4.7)	31,569,161	5.7
49	Money	980.95	(2.8)	61,336,136	0.2
50	San Francisco Focus	975.02	(6.3)	6,496,744	4.2
51	Golf Magazine	966.81	(6.0)	32,618,482	14.0
52	Salt Water Sportsman	959.67	(18.8)	6,207,672	(11.8)
53	Redbook	949.61	(4.2)	60,388,741	0.3
54	Road & Track	945.84	(5.3)	27,905,805	(11.2)
55	Metropolitan Home	922.19	(8.3)	29,586,745	1.9
56	Inc.	910.73	(7.5)	37,542,809	1.8
57	Country Living	894.05	(2.0)	36,343,638	3.7
58	Mirabella	885.76	79.2	14,507,160	170.9
59	Jet	881.91	(7.0)	14,917,532	(0.7)
60	House & Garden	877.37	8.9	21,551,566	13.0
61	Bicycling	875.06	(7.6)	12,216,153	8.7
62	Reader's Digest	863.56	(3.7)	89,540,503	(1.4)
63	Conde Nast Traveler	858.84	13.9	23,782,459	32.0
64	Ebony	851.77	(10.6)	30,193,408	(2.6)
65	Financial World	847.31	32.2	19,912,371	57.4
66	Working Woman	836.50	(9.5)	26,415,299	1.9
67	Four Wheeler	828.36	0.2	6,564,348	6.4
68	Bon Appetit	819.54	1.8	25,171,586	5.5
69	McCall's	807.20	(13.0)	59,247,452	(5.3)
70	New Woman	788.91	(5.9)	19,334,814	(0.3)
71	Smithsonian	780.33	(6.1)	33,537,691	(2.8)
72	Black Enterprise	769.02	0.4	10,249,748	9.8
73	Motor Trend	762.95	(7.6)	27,952,975	5.2
74	Essence	726.92	(1.8)	18,398,822	12.4
75	Delta Sky	715.40	(7.3)	18,002,870	(2.5)
76	M Inc.	702.55	(3.6)	8,443,197	2.4
77	Outdoor Life	687.31	(13.8)	21,538,505	(7.5)
78	Art & Antiques	684.56	12.3	4,226,160	27.5
79	Popular Mechanics	682.93	(13.8)	21,660,264	(11.4)
80	Sports Afield	682.84	5.3	13,423,041	14.4
81	Hot Rod	681.39	(24.9)	16,475,353	(17.5)
82	Entertainment Weekly	678.59	1,000.0	14,399,420	100.0
83	Field & Stream	665.64	(16.5)	29,379,499	(13.9)
84	California	640.12	4.5	9,247,940	11.8
85	Yankee	638.04	0.7	7,796,011	10.7
86	Popular Science	625.50	(22.6)	17,705,931	(21.5)
87	Parenting	624.67	18.2	10,979,806	53.3
88	Ski	620.91	(7.1)	12,439,612	(1.3)
89	Premiere	619.57	2.8	11,108,219	27.3
90	Tennis	613.88	(9.2)	20,720,916	36.9
91	House Beautiful	612.39	(9.1)	22,696,292	0.4
92	Southern Accents	606.10	9.6	6,032,125	19.6
93	Working Mother	602.79	(13.0)	14,112,023	2.4
94	US	588.59	(5.8)	17,267,241	(6.1)
95	Connoisseur	582.11	(22.5)	10,238,036	(12.9)
96	Skiing	580.69	8.8	11,429,837	(0.1)
97	National Journal	579.50	(3.3)	3,895,660	3.2
98	1,001 Home Ideas	576.59	(0.8)	16,291,917	5.8
99	Playboy	568.49	(4.7)	37,979,424	3.7
100	Home	563.63	(5.0)	15,738,412	2.7

Percent change compares January-October in 1990 with 1989. Source: Publishers Information Bureau

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Contact George Hirsch, Group Publisher (212) 573-0334.
Source: MRI Fall, 1990. MEN'S HEALTH will be measured as part of the Network in Spring 1991.

CONSUMER MAGAZINE AD LINAGE

	October 1990	October 1989	Year-to-date 1990	Year-to-date 1989
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	132.1	157.6	1,456.0	1,581.4
Automobile Magazine	68.2	56.5	645.9	579.5
Car & Driver C	119.9	109.5	1,085.6	1,060.4
Car Craft	85.7	91.4	712.8	782.4
Circle Track	68.3	76.6	803.8	854.8
Cycle	37.1	36.9	408.1	439.1
Cycle World	36.2	42.4	444.2	418.2
Dirt Rider	50.3	32.2	421.7	320.2
Dune Buggies & Hot VWs	87.0	69.1	739.0	689.0
Easyriders	28.8	21.6	281.4	235.3
Family Motor Coaching	145.7	167.5	1,678.3	1,822.4
4 Wheel & Off-Road	88.1	93.1	832.2	830.6
Four Wheeler C	83.0	78.5	828.4	826.9
Hot Rod C	68.0	93.3	681.4	906.7
Motorcyclist	31.2	30.3	414.7	411.3
Motor Trend C	94.3	82.8	763.0	825.6
Motorhome	96.7	101.3	1,058.0	967.4
Rider	25.8	23.6	328.9	337.4
Road & Track C	110.3	84.9	945.8	998.5
Trailer Life	89.1	87.9	926.6	923.3
Total Group	**1,545.5**	**1,537.1**	**15,455.7**	**15,810.2**
% change	**0.5%**		**-2.2%**	
■ Boating & yachting				
Boating	97.9	136.0	1,213.0	1,486.9
Chesapeake Bay	51.0	64.3	435.1	531.6
Cruising World	190.2	247.5	1,159.8	1,220.5
Lakeland Boating (11X)	54.0	63.0	760.5	873.8
Motor Boating & Sailing	93.3	99.9	1,161.4	1,403.6
Sail	84.9	117.0	1,053.8	1,146.6
Trailer Boats (11X)	30.5	35.7	570.8	660.9
Western Boatman	—	—	227.2	227.1
Yachting C	152.5	155.2	1,366.3	1,415.9
Total Group	**754.3**	**918.7**	**7,948.0**	**8,966.9**
% change	**-17.9%**		**-11.4%**	
■ Civic/fraternal				
Elk (10X)	19.9	21.3	145.7	139.4
Kiwanis	18.6	17.8	155.5	150.3
Lion (10X)	6.5	7.5	49.5	54.1
Rotarian	23.8	18.7	165.6	127.3
V.F.W. (11X)	31.8	33.5	259.0	262.8
Total Group	**100.6**	**98.8**	**775.3**	**733.9**
% change	**1.8%**		**5.6%**	
■ General				
American Health (10X) C	25.3	57.2	353.1	615.8
American Heritage (8X) C	—	—	262.4	276.4
American Legion	40.5	37.0	351.7	323.4
American West (5X)	—	—	105.5	126.2
Art & Antiques (10X) C	131.3	97.5	684.6	609.6
ARTnews (10X)	138.8	155.8	965.6	958.3
The Atlantic A. C	68.9	57.9	544.3	477.6
Bon Appetit A. C	91.0	101.2	819.5	805.2
Cable Guide C	36.5	53.8	276.7	372.2
Caribbean Travel & Life (5X)	—	—	210.1	172.6
Changing Times C	56.9	62.9	539.6	505.0
Conde Nast Traveler C	126.8	117.7	858.8	753.9
Connoisseur C	88.9	118.3	582.1	751.2
Consumers Digest (6X) C	—	—	130.7	118.0
Cooking Light C	—	—	295.0	256.7
Departures N. America (6X)	—	—	216.4	151.6
Ebony C	72.7	79.0	851.8	953.2
European Travel & Life (10X) C	56.1	74.1	418.4	438.6
Food & Wine C	58.7	67.8	546.0	587.8
Games (6X) C	—	—	34.1	73.8
Golden Years (6X)	—	—	173.5	239.5
Gourmet C	166.7	154.4	1,027.0	975.6
Harper's Magazine A. C	35.5	33.0	314.9	298.2
Islands (6X)	—	—	324.7	307.2
Let's Live	56.0	58.0	500.0	472.0
Life C	39.3	135.9	521.6	675.6
Longevity C	38.3	33.3	362.7	212.7
Mature Outlook (6X) C	—	45.4	194.2	188.8
Modern Maturity (6X) C	46.4	48.3	194.5	205.5
Money C	104.2	126.5	981.0	1,009.1
Mother Earth News (6X) C	—	—	301.6	382.2
National Geographic C	27.0	34.7	222.4	201.9
National Geographic Traveler (6X) C	—	—	224.3	149.0
Natural History C	55.5	54.0	412.4	404.2
New Choices C	29.2	38.7	285.5	360.8
Prevention C	44.7	45.7	463.0	510.3
Reader's Digest A. C	87.6	124.7	863.6	897.1
Saturday Evening Post (9X) C	46.7	39.6	271.5	306.6
Smithsonian C	102.4	112.1	780.3	830.8
Spin C	51.5	50.9	425.6	490.7
Town & Country C	190.4	186.4	1,260.4	1,272.7
Travel-Holiday C	52.6	44.9	372.2	368.5
Travel & Leisure C	138.1	167.4	1,129.0	1,206.1
Travelhost	1,201.8	1,281.0	12,954.3	12,833.0
Vanity Fair C	210.5	165.0	1,171.6	1,136.5
Yankee C	85.3	98.5	638.0	633.7
Total Group	**3,801.9**	**4,158.3**	**35,417.1**	**35,805.4**
% change	**-8.6%**		**-1.1%**	
■ Home				
Architectural Digest A. C	192.2	234.5	1,498.7	1,487.9
Better Homes & Gardens C	112.9	130.1	1,022.8	1,153.6
Colonial Homes (6X) C	61.9	68.6	250.6	298.4
Columbus Monthly-Homes (4X)	25.6	37.6	114.5	134.1
Country Home (6X) C	75.1	73.1	303.5	398.7
Country Life (6X)	—	—	254.2	253.4
Country Living C	99.2	97.7	894.1	911.9
Family Handyman (10X) A. C	44.2	49.7	337.3	422.0
Florida Home & Garden	97.5	67.1	642.8	809.6
Flower & Garden (6X)	—	—	178.3	195.0
Home C	79.7	68.5	563.6	593.2
Home Mechanix C	62.8	60.2	477.8	507.7
Homeowner (10X) C	35.8	33.2	228.6	288.5
Horticulture	31.4	35.7	416.2	382.5
House Beautiful C	80.9	88.7	612.4	673.4
House & Garden C	157.4	150.0	877.4	805.5
Metropolis	78.8	100.3	497.9	606.1
Metropolitan Home C	107.4	120.9	922.2	1,005.8
Midwest Living C	61.9	63.9	339.7	324.8
1,001 Home Ideas C	58.0	68.1	576.6	581.4
Organic Gardening (9X) C	—	29.6	319.6	365.7
Phoenix Home/Garden	66.7	68.0	636.0	726.8
Practical Home-owner (9X) C	51.1	44.9	365.9	273.6
San Diego Home/Garden	75.3	74.3	713.6	724.9
Southern Accents (6X) C	82.0	—	606.1	553.1
Southern Living C	110.7	115.9	1,042.3	1,119.8
Sunset Magazine A. C	142.9	133.8	1,227.2	1,259.2
Workbench (6X)	—	—	188.6	211.1
Total Group	**1,991.4**	**2,014.4**	**16,108.5**	**17,067.9**
% change	**-1.1%**		**-5.6%**	
■ In-flight & other passenger				
Aboard Group (6X)	59.4	59.3	271.0	253.1
Alaska Airlines	68.0	61.9	724.5	636.3
America West Airlines	82.0	82.3	800.7	686.3
American Way (24X) C	177.3	224.0	1,450.7	1,544.4
Continental Profiles	56.0	58.9	502.5	578.0
Delta Sky C	84.6	97.6	715.4	772.0
Eastern Review	42.5	40.0	329.4	481.9
Pan Am Clipper	53.3	59.9	451.4	538.4
Southwest Spirit	66.5	64.1	544.6	636.4
Spirit of Aloha	32.3	26.6	341.0	241.3
TWA Ambassador B	37.0	—	373.0	—
United Vis. A Vis	90.5	99.3	715.5	866.7
US Air Magazine	86.8	77.7	652.3	600.7
Total Group	**899.3**	**951.6**	**7,499.0**	**7,835.5**
% change	**-5.5%**		**-4.3%**	
■ Men's				
Esquire A. C	120.1	155.6	999.9	1,048.9
Firehouse Magazine	38.4	63.3	385.3	416.4
Gentlemen's Quarterly A. C	210.3	238.4	1,614.1	1,819.8
M Inc. C	82.3	100.7	702.6	729.1
Men's Health (6X)	—	—	105.1	—
Muscle & Fitness C	103.2	116.3	1,036.9	1,280.4
Penthouse A. C	50.3	43.9	518.2	510.7
Playboy A. C	63.0	55.3	568.5	596.5
Total Group	**667.5**	**773.4**	**5,930.5**	**6,401.8**
% change	**-13.7%**		**-7.4%**	
■ Metropolitan				
Aloha (6X)	—	—	233.0	223.0
Annapolitan	77.9	87.2	656.2	611.0
Atlanta	77.8	78.5	729.0	615.9
Baltimore	64.4	73.3	571.6	661.7
Boston	111.9	132.9	1,026.7	1,359.0
California C	81.1	99.5	640.1	612.7
Chicago	114.8	189.5	880.0	1,134.1
Chicago's North Shore	86.1	92.9	891.0	959.5
Cincinnati	65.8	94.2	427.0	502.4
Cleveland	40.5	67.6	432.8	544.7
Columbus Monthly	88.3	108.6	631.5	741.7
Connecticut	87.2	124.2	837.5	999.9
D/Magazine	60.6	84.8	547.1	690.6
Detroit Monthly	76.8	84.1	566.6	591.3
Grand Rapids	31.8	44.0	339.9	398.8
Gulf Coast (13X)	36.8	21.1	387.0	308.4
Honolulu	46.0	50.1	546.8	525.9
Houston Metropolitan Magazine	105.6	86.5	670.9	618.9
Inside Chicago (8X)	—	—	140.8	177.8
Los Angeles	157.2	164.6	1,375.9	1,483.4
Louisiana Life (6X)	—	—	151.7	132.2
Madison	46.0	42.0	412.0	398.0
Memphis	58.0	55.7	572.7	653.7
Mid Atlantic Country	54.9	43.5	494.6	427.0
Milwaukee	70.5	59.7	676.0	541.7
Minneapolis/St. Paul	116.1	101.6	1,018.2	1,071.4
Minnesota Monthly Magazine	61.2	61.4	629.0	517.0
New Jersey Monthly	73.9	116.1	677.3	941.8
Ohio	70.1	71.3	549.6	540.7
Orlando	93.4	94.0	902.0	961.5
Pacific Northwest	55.3	51.4	478.8	484.1
Palm Beach Life	40.2	63.4	556.2	652.5
Palm Springs Life	94.1	104.7	1,225.2	1,226.2
Philadelphia	115.6	157.4	1,234.4	1,353.2
Phoenix	33.3	26.3	353.1	411.3
Pittsburgh	69.7	69.7	643.3	657.5
Rhode Island Monthly	59.3	68.6	579.5	572.3
Sacramento Magazine	63.0	59.0	575.2	547.0
St. Louis	43.6	56.2	493.1	476.9
San Diego	123.7	122.3	1,299.7	1,307.4
San Francisco Focus C	133.2	135.4	975.0	1,040.6
Sarasota (10X)	79.0	94.0	671.0	703.0
South Florida Magazine	71.6	71.1	792.6	1001.5
Texas Monthly C	143.7	148.3	1,125.0	1,096.8
Ultra	78.0	44.3	691.5	392.4
Washington-Dossier	41.5	44.8	377.1	370.8
The Washingtonian	151.1	177.8	1,285.4	1,580.0
Total Group	**3,450.3**	**3,823.6**	**31,970.7**	**33,819.0**
% change	**-9.8%**		**-5.5%**	
■ Music/entertainment				
Audio	306.7	340.3	1,045.2	1,141.9
Dance Magazine	46.8	48.1	527.9	527.0
Playbill	47.5	58.8	451.0	485.5
Premiere C	71.3	79.4	619.6	602.9
Video Magazine	73.4	68.0	668.6	592.4
Total Group	**545.7**	**594.5**	**3,312.2**	**3,349.7**
% change	**-8.2%**		**-1.1%**	
■ Outdoor & sport				
Alaska	43.0	40.0	449.0	420.0
The American Handgunner (6X)	—	—	286.0	274.0
American Hunter	39.4	52.9	229.5	243.0
American Rifleman	32.3	38.7	255.4	249.2
Backpacker (7X) C	52.6	35.2	226.3	189.6
Bass Master (10X) A. C	—	—	539.2	651.1
Bicycling (9X) C	78.8	—	875.1	947.3
Ducks Unlimited (6X)	—	—	147.7	143.7
Field & Stream C	60.5	85.2	665.6	797.0
Fishing World (6X)	—	—	195.7	179.7
Florida Sportsman	82.0	87.0	1,188.0	1,232.8
Golf Digest C	82.9	84.5	1,089.8	1,131.2
Golf Illustrated C	52.2	43.9	508.2	454.9
Golf Magazine C	65.9	74.2	966.8	1,028.8
Gun Dog (6X)	30.0	35.7	163.5	197.7
Guns	49.0	42.0	415.0	385.0
Guns & Ammo	64.7	73.1	471.3	451.4
In-Fisherman (7X)	—	—	431.5	508.5
Outdoor Life C	81.6	72.6	687.3	796.9
Outside Magazine	76.2	54.8	632.9	605.0
Petersen's Hunting	77.6	74.2	476.7	476.5
Runner's World (12X) C	56.6	42.7	405.5	388.7
Salt Water Sportsman C	69.9	85.8	959.7	1,182.2
Shooting Times	42.5	44.9	331.3	338.6
Sierra (6X)	—	—	178.6	230.3
Ski (8X) A. C	166.7	157.9	620.9	668.4
Skiing (7X) A. C	163.2	146.5	580.7	533.5
Skin Diver C	98.9	98.3	1,217.4	1,151.4
Southern Outdoors (9X)	47.5	48.8	366.1	435.2
Sport Magazine C	50.7	51.2	320.8	365.9
Sports Afield C	85.3	74.2	682.8	648.3
Surfing	83.7	83.1	750.0	931.6
Tennis C	36.3	42.9	613.9	676.2
Waterski (9X)	—	—	561.1	607.6
Western Outdoors (9X)	21.7	31.0	274.0	331.0
Wildfowl (6X)	19.0	31.5	90.4	110.9
WindRider (8X)	—	—	428.2	338.1
Wing & Shot (6X)	12.0	15.5	66.9	79.0
World Tennis C	17.8	27.0	349.1	467.8
Total Group	**1,940.3**	**1,875.0**	**19,697.7**	**20,847.7**
% change	**3.5%**		**-5.5%**	
■ Photography				
American Photo (6X) C	—	29.8	241.5	308.3
Petersen's Photographic	36.5	23.4	254.5	258.5
Popular Photography C	112.3	99.3	1,018.2	861.0
Total Group	**148.8**	**152.6**	**1,514.2**	**1,427.8**
% change	**-2.5%**		**6.0%**	
■ Science/electronic/mech				
Discover C	47.1	40.6	348.8	389.5
Home Office Computing C	48.0	51.3	446.4	437.4
Omni C	74.3	79.8	502.7	582.2
Popular Mechanics C	90.7	99.8	682.9	791.9
Popular Science C	67.3	59.0	625.5	808.4
Scientific American C	49.3	38.7	416.7	414.7
Spectrum C	56.4	64.6	510.4	550.5
Total Group	**432.9**	**433.8**	**3,533.4**	**3,974.5**
% change	**-0.2%**		**-11.1%**	
■ Woman/fashion/service				
Bride's Magazine (6X) A. C	356.6	451.3	2,711.6	2,825.2
Cosmopolitan A. C	190.3	222.1	1,768.3	1,948.6
Elle C	276.1	265.5	1,866.7	1,862.4
Essence C	76.8	75.4	726.9	740.2
Family Circle (17X) A. C	129.0	170.9	1,347.1	1,620.9
Glamour C	180.8	186.3	1,556.0	1,657.6
Good Housekeeping A. C	162.1	166.1	1,387.0	1,318.0
Harper's Bazaar C	177.2	143.1	1,173.8	1,210.5
Health C	26.7	42.6	317.1	336.4
Imagen	128.1	132.8	997.0	891.5
Ladies' Home Journal C	141.0	141.7	1,214.9	1,265.4
Lear's C	64.1	72.5	523.6	515.8
Mademoiselle C	122.0	141.7	1,275.9	1,380.9
McCall's C	102.2	111.7	807.2	927.4
Military Lifestyle (10X)	88.1	54.4	788.9	472.4
Mirabella	134.1	96.5	885.8	494.2
Modern Bride (6X) C	283.7	292.0	2,176.1	2,127.8
New Woman C	115.8	85.9	788.9	838.6
Parents Magazine A. C	152.1	153.8	1,168.5	1,216.9
Redbook C	96.2	123.9	949.6	991.7
Savvy C	35.9	50.8	307.9	445.6
Self C	113.2	118.2	1,061.0	1,092.8
Seventeen C	72.8	95.2	1,067.5	1,174.2
Shape C	55.2	66.1	532.0	648.0
Soap Opera Digest (26X) C	46.8	58.4	339.0	400.6
Teen Magazine	38.5	52.1	521.1	496.0
True Story A. C	52.1	70.4	525.5	566.1
Victoria C	71.8	55.0	459.2	316.3
Vogue C	301.4	329.2	2,467.5	2,760.8
W Magazine (26X) C	220.4	234.5	1,203.0	1,336.5
Weight Watchers C	32.2	39.3	348.5	345.8
Woman (10X) C	—	35.3	212.0	291.2
Woman's Day (15X) A. C	178.8	284.3	1,163.6	1,487.8
Workbasket	27.1	24.1	207.6	214.9
Working Mother C	61.8	75.0	602.8	693.0
Working Woman C	101.1	108.6	836.5	924.7
Total Group	**4,411.9**	**4,826.6**	**36,285.5**	**37,836.7**
% change	**-8.6%**		**-4.1%**	
■ Youth				
Boys' Life C	13.5	18.1	163.0	175.1
Campus Life (10X)	110.5	106.7	387.0	397.2
Total Group	**124.0**	**124.8**	**550.0**	**572.3**
% change	**-0.6%**		**-3.9%**	
■ Business/national				
Barron's	173.9	226.7	1,427.7	1,533.0
Black Enterprise C	69.3	79.6	769.0	765.9
Business Month C	45.8	45.0	361.2	324.0
Business Week (52X) A. C	591.8	829.5	3,436.9	3,928.5
Economist (52X) C	247.7	241.9	2,201.1	1,935.9
Entrepreneur C	177.1	124.2	1,682.1	1,489.3
Financial World (26X) C	96.0	95.0	847.3	640.8
Forbes (26X) C	697.1	793.0	3,182.2	3,164.7
Fortune (26X) C	450.3	486.4	2,770.7	3,042.7
Frequent Flyer	37.7	67.3	401.5	431.6
Futures	55.7	58.8	417.5	446.1
Inc. Magazine C	126.5	153.6	910.7	984.1
Income Opportunities	89.2	90.9	633.2	683.7
Industry Week (23X) A.	97.8	123.1	897.5	959.1
Nation's Bus. (12X) A. C	27.8	52.9	247.2	375.6
Success C	37.5	41.7	286.7	314.8
Total Group	**3,021.1**	**3,509.7**	**20,472.6**	**21,019.6**
% change	**-13.9%**		**-2.6%**	
■ Business/regional				
Arizona Business Gazette B	40.4	—	440.7	—
Bus. Jrnl.-Milwaukee	176.7	198.8	1,448.0	1,495.0
Bus. Jrnl.-Sacramento	109.5	100.8	906.8	848.4
Bus. North Carolina	35.5	38.2	407.3	421.2
Capital Dist. Bus. Review (52X)	88.6	95.6	724.3	726.8
Caribbean Business	104.8	117.4	1,188.1	1,254.6
Corporate Rpt. Minnesota	55.3	66.0	537.5	628.3
Crain's Chicago Bus. (52X)	200.9	224.1	1,447.3	1,435.3
Crain's Cleveland Bus. (52X)	94.8	115.2	759.1	805.5
Crain's Detroit Bus. (52X)	97.8	124.2	867.7	820.5
Crain's New York Bus. (52X)	124.0	120.0	701.0	601.0
Florida Trend (13X)	46.9	58.6	442.0	530.0
Georgia Trend	46.8	62.0	425.9	483.1
Grand Rapids Bus. Jrnl.	61.9	62.9	548.4	455.8
Hawaii Business	45.2	52.3	566.7	523.1
Houston Bus. Jrnl. (52X)	132.7	91.1	794.2	787.0
Indianapolis Bus. Jrnl. (52X)	179.4	224.5	1,549.5	1,655.7
Nashville Business & Lifestyle B	28.9	—	68.0	—
New England Bus. (12X) A.	48.2	34.2	331.5	378.2
New Orleans City Bus.	52.3	40.6	546.6	427.0
Pacific Bus. News (52X)	172.5	137.2	1,132.4	1,048.3
Philadelphia Business Journal	155.8	185.3	1,194.2	1,479.2
Pittsburgh Bus. Times (52X)	120.0	154.3	992.7	1,138.7
Regardie's-Washington	147.0	178.0	1,313.0	1,578.0
St. Louis Bus. Jrnl. (52X)	193.7	110.3	1,114.8	1,019.0
Warfield's Monthly Baltimore	56.7	55.0	593.5	602.9
Total Group	**3,546.9**	**2,646.6**	**20,532.3**	**21,142.5**
% change	**-3.8%**		**-2.9%**	
■ National Sunday mags				
Parade (52X) C	75.5	78.1	593.8	587.9
USA Weekend (52X) C	58.1	67.7	558.2	517.5
Vista Magazine (52X)	40.2	32.2	226.0	205.9
Total Group	**173.7**	**178.0**	**1,378.0**	**1,311.2**
% change	**-2.4%**		**5.1%**	
■ Newspaper Sunday magazine				
Boston Globe	144.9	170.3	1,597.9	2,007.0
Chicago Tribune	156.5	152.5	1,072.4	1,127.6
Cleveland Plain Dealer	65.0	90.4	608.2	663.5
The Dallas Morning News	68.2	69.5	545.0	617.9
Detroit Free Press	56.0	58.0	522.0	427.0
L.A. Times C	173.7	198.1	844.9	1,066.9
Louisville Courier-Jrnl	21.0	42.0	257.0	317.0
New York Times Mag. C	377.6	537.7	3,056.5	3,309.5
Philadelphia Inquirer	95.2	93.4	927.2	855.8
Seattle Times	99.0	124.0	819.0	719.0
St. Louis Post Dispatch	84.1	122.2	790.9	814.2
Toledo Blade Magazine	32.9	45.9	346.6	344.3
Washington Post	103.0	188.6	1,065.8	1,330.8
Total Group	**1,477.1**	**1,892.5**	**12,453.3**	**13,600.5**
% change	**-21.9%**		**-8.4%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	151.4	111.4	1,516.9	1,450.8
Army Times Military Group				
Air Force Times (52X)	191.1	209.4	1,587.9	1,612.7
Army Times (52X)	194.5	213.2	1,579.4	1,562.3
Navy Times (52X)	201.3	231.9	1,675.3	1,778.0
Capper's (26X)	32.8	27.9	291.1	315.4
Commonweal (22X)	4.5	5.4	84.0	65.4
Golf World (40X)	70.0	59.1	1,233.4	1,101.2
Grit (52X) A.	40.0	52.0	376.0	357.0
Jet (52X) C	112.0	106.5	881.9	947.8
National Journal (50X) C	87.7	76.2	579.5	599.2
National Review (25X)	46.4	32.6	279.0	255.5
New Republic (48X)	47.4	55.2	378.4	409.3
New York Mag. (50X) C	296.5	343.9	2,072.0	2,419.1
New Yorker C	304.8	306.7	1,777.6	1,788.6
Newsweek (52X) A. C	255.1	336.9	1,797.8	1,957.1
People (51X) C	310.0	328.5	2,804.6	2,991.0
Rolling Stone (25X) C	184.4	158.3	1,537.2	1,551.1
Sporting News (52X) C	61.2	65.1	429.7	501.3
Sports Illustrated (52X) A. C	279.1	328.7	2,085.8	2,398.9
Time (52X) A. C	364.9	358.9	2,158.9	2,209.7
TV Guide (52X) A. C	229.3	246.0	2,416.1	2,659.4
US Magazine (26X) C	81.7	91.9	588.6	624.9
U.S. News & World Report (50X) A. C	285.1	272.1	1,609.8	1,603.8
Total Group	**3,831.1**	**4,017.6**	**29,741.3**	**31,159.4**
% change	**-4.6%**		**-4.6%**	

NOTES: Linage is given in paid ad pages. (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and % change. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. *Ad Age* makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

ADREVIEW

Trident commercial stumbles onto concept that sticks out

(Rating: ★ ★ ★)

By Bob Garfield

Garfield

We here at ADREVIEW are not by nature violent. Over the years, we have encountered very few individuals who, without extreme provocation, we would actually kill or maim (which may not seem to be all that remarkable a declaration, unless you know that once we were *that close* to Edwin Meese).

Sometimes we get exercised, yes, to the very edge of physical violence; that's the price of having cable service. But seldom does our disapproval cross what you might call the Keating Line, a moral threshold that can be expressed as follows:

We would not feel comfortable actually assassinating somebody accused of participating in a multibillion-dollar fraud that bankrupted a nation and robbed small depositors of their life's savings, but, if such a person were to step off a curb and be struck by a cross-town bus, we would not run to dial 911 so quickly as to risk scuffing our shoes.

The Keating Line. Only once have we ever truly considered crossing it.

A tired cliche takes on new life as a refreshing approach to selling chewing gum in this category breakthrough by Trident and J. Walter Thompson USA.

This was back a few years ago, in the days when Peggy Fleming was fronting for Trident sugar-free gum. When, for the 11,609th time, we heard her ask, in a most aggressively cheerful tone, while brandishing several packs of Trident in a fanned-out-playing-card way such as no packs of gum had ever been displayed in the whole history of confection, "Who wants gum?" we flew into a rage.

For an instant, we lost grip on reality. We heard voices, aggressively cheerful voices, that asked, "Who wants to run through Ted Bates Advertising, New York, randomly attacking bystanders with a sharpened ice skate?" And to those inner demons we replied: "I do! I do!"

Luckily, the feeling passed. And, just as luckily, it turns out lo these many years later, so did the Trident account—from Bates to J. Walter Thompson USA. In a category that hadn't produced interesting TV advertising since the Teaberry Shuffle, JWT is running a delightful 30-second spot called "Walk & Chew."

Yes, that's right, a TV commercial that uses as a point of departure one of the more tired cliches in the American idiom. A phrase so obvious, so hackneyed, so blunt that it's a wonder Wm. Wrigley Jr. Co.—king of insipid gum advertising—didn't trot it out years ago.

The spot opens with a nice-looking businessman striding confidently down some brick steps, quickly stuffing a stick of gum in his mouth. One stride later he falls down the steps.

"You may have noticed," says the voice-over, "that lately lots of people are having considerable trouble walking and chewing gum at the same time. [A lady shoves in the gum, trips and sends her groceries flying. Then our gum-chewing businessman glides back, ramming a parking meter with his chest.] Perhaps it's because of the great new taste of Trident. Peppier original. Fruitier fruit. [A lady jams her heel in a sidewalk grate.] Bubblier bubble. [Two kids pop bubbles and collapse to the ground]. The great new taste of Trident. Still good for your teeth, and now it tastes better than ever."

The last image is a guy stuffing in some Trident, glancing down at a T-shape metal thing sticking up from the pavement. He leaps to avoid it, successfully, but as he brushes against it, on comes a fountain that soaks him to the skin. Please note: There's not a beaming, smart Mom in sight.

On second thought, it's no mystery that Wrigley never exploited the walking-and-chewing idea. While tripping down the steps is hardly Oscar Wilde material, this spot does boast a touch of irony, self-deprecation and just the slightest bit of edge—making it ipso facto beyond the intellectual grasp of the Doublemint twins.

By convention, gum ads have been more sugar-coated than the gum itself, so painfully wholesome that even the act of placing gum in the mouth has been ludicrously sanitized. But none of that contorted delicacy here. Here they just shove the stuff in, and more power to them.

We here at ADREVIEW want to hand it to copywriter Bob Mitchell, to art director Kathy McMahon, to director Howard Deutsch and to the client, Warner-Lambert Co. And to them, also some advice: Should you ever get really angry—say, at Care Free—and violent, and right to the edge of the Keating Line, *don't cross it.* Just shove in a stick of Trident. It's hard to kill and chew gum at the same time. □

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

Lipton ad push

(Continued from Page 3)

Fruit Slush—have been disappointing.

Mr. St. Clair wouldn't comment on the company's individual business lines.

Observers say Lipton Cup-A-Soup, one of the company's flagship products, has been hurt not only by a reduction in advertising but by the aggressiveness of ramen noodle marketers. Ramen noodle products offer more noodles than other soups.

Arbitron/SAMI figures showed the Cup-A-Soup line had 7.8% share of the $524.9 million dehydrated soup category for the 52 weeks ended Oct. 5. That was good enough for second, behind Lipton's instant soup mix's 18.4%, but represented an 18.8% decline from a year earlier. And the instant soup line lost 1.7%.

By contrast, Nissin Foods' Oodles of Noodles, a ramen brand, was up 17.3% in dollar volume this year.

A source at Campbell Soup Co. said ramen soups are "killing the category," making big gains at the expense of all competitors but particularly Lipton.

Campbell has fought back with Campbell Ramen Noodle soups, already in 33 markets and expanding to new markets; Lipton has no ramen entry.

In the face of the increased competition, Lipton's ad spending for dry soup has been "anemic," said another Campbell executive.

In measured media, Lipton spent $3.6 million last year for its Cup-A-Soup and Lite Cup-A-Soup lines, down 48.8% from 1988.

Measured spending for the first half of 1990 showed less than $1 million in support, though those figures don't take into account the prime fall/winter season for promoting soup.

Lintas:New York handles the soups.

Tea is another headache for Lipton. Price increases drove the tea bag market up 0.2% to $541.2 million for the 52 weeks ended Oct. 5, Arbitron/SAMI figures showed, but tonnage fell 3.2%. That gave the company a 50.4% share for the period, compared with 52.9% a year earlier.

As the market leader, Lipton has been particularly vulnerable to the move toward soft drinks, sparkling waters and alternative drinks at tea's expense, said Tom Pirko, president of Bevmark, a consultancy.

In addition, Lipton has been letting its tea advertising, also at Lintas, slide.

When Oriental Treasures tea was introduced in 1986, Lipton was spending $18.8 million annually on tea advertising. By 1989, the company had dropped its acclaimed "Little Old Ladies" TV campaign and spending had dropped to $4 million.

"If it were a Coke-Pepsi situation, [Lipton] would have had to draw their guns and blast away," Mr. Pirko said. "But Lipton has so thoroughly dominated the market that they don't think they have to do any advertising."

The result, he said, is a weakened overall market.

"The company is doing a real poor job of trying to convert Americans to tea drinking," Mr. Pirko said.

Lack of competition isn't the problem in fruit snacks.

Information Resources Inc.'s InfoScan service showed Lipton with a 41% share of the $277 million category last year, trailing General Mills' 46%.

But in the second quarter of this year, General Mills built its share to 55% of the $80.7 million market, while Lipton plummeted to 26%.

Lipton appears to be outmatched in advertising by General Mills, as that company

"If it were a Coke-Pepsi situation, [Lipton] would have had to draw their guns and blast away. But Lipton has so thoroughly dominated the market that they don't think they have to do any advertising. . . . The company is doing a real poor job of trying to convert Americans to tea drinking."

boosts spending to help lines including Thunder Jets, Garfield & Friends and the new Surf's Up!, all introduced in the past year.

General Mills' fruit snack spending was $7.4 million in the first half of 1990, compared with $6.3 million for the Lipton lines, LNA/Arbitron reported.

The competition also is outgunning Lipton in powder drink mixes, where General Foods USA's Kool-Aid dominates the category with a share in excess of 75%, compared with Wyler's line with 19%.

With only $2 million in measured media spending behind the product, Wyler's share has remained "flat to down in a growing market," said a source at competitor Kraft General Foods.

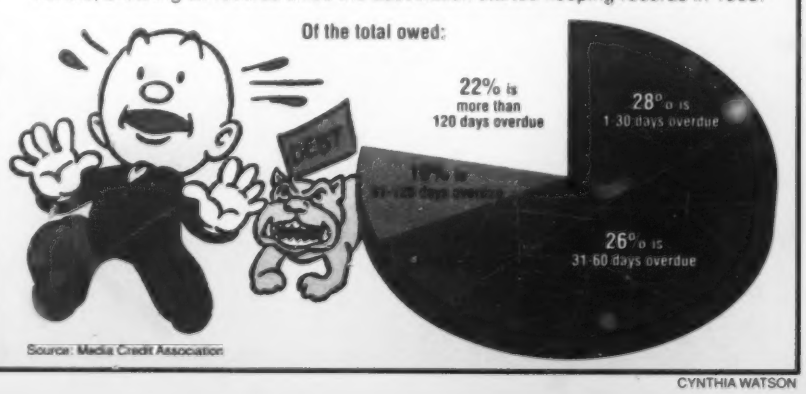
But, given Unilever's deep pockets and Lipton's renewed commitment to advertising, industry analysts say the company could breathe new life into these major product lines.

Les Pugh, industry analyst with Salomon Bros., attributed Lipton's problems to "external pressures and aggressive competition," and said Lipton "aims to recapture the spark" that marked the company's new-product efforts in years past. □

Julie Liesse and Laurie Freeman contributed to this story.

Long overdue

Advertising agencies are becoming more delinquent in paying their bills. As of September, agencies owed a record $102.8 million in overdue bills to magazines, according to the Media Credit Association, a trade group affiliated with Magazine Publishers of America. Late payments have been growing each month for the past 20 months, breaking all records since the association started keeping records in 1903.



Source: Media Credit Association

CYNTHIA WATSON

NOTE

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NEWSPAPER

Advertising Age

December 3, 1990

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LAST MINUTE NEWS

TWA nears choice

NEW YORK—Trans World Airlines this week will choose Avrett, Free & Ginsberg or Biederman, Kelly & Shaffer for its $45 million domestic ad account. An agency for the airline's $20 million European ad account could also be named this week. TWA named Barry Blau & Partners, Fairfield, Conn., to handle direct marketing, estimated at $5 million. Blau had handled Trump Shuttle, but the account has been inactive for at least six months. Young & Rubicam resigned the entire TWA account for cost reasons (AA, Oct. 8).

Lever sets Europe study

BRUSSELS—Lever Europe, which spends $400 million a year on advertising for the company's detergent, soap and household cleaning brands in Europe, has appointed Amsterdam-based Scan International to study the role of its ad agency networks. Most of Lever Europe's brands are aligned with Lintas:Worldwide, J. Walter Thompson Co. and Ogilvy & Mather, and that isn't expected to change. Lever Europe was set up in January to handle marketing on a European brand basis. "This means Lever is in effect moving from a country-based operation to a brand-based one, and that means agencies will have to be adapted on that basis," said Hein Becht, a partner in Scan International.

Liz likes Diamonds

NEW YORK—Unilever's Elizabeth Arden division will introduce in fall 1991 a new Elizabeth Taylor women's fragrance called White Diamonds. The company hasn't said what agency will handle the introduction. Ogilvy & Mather handled the launch of Ms.

(Continued on Page 8)

INSIDE

■ **"Creativity,"** a special *Ad Age* supplement, talks about breaking the rules with David Hale and the rest of the Burger King gang at DMB&B. "Creativity" also looks at computer technology, multimedia presentations and the New Advertising. ("Creativity" is available on request. If your issue doesn't contain it, contact *Ad Age* Circulation, 965 E. Jefferson St., Detroit 48207. 1-800-992-9970.)

Starts after P. 32

$1.1M verdict in Chilko

By Scott Hume and Ira Teinowitz

A U.S. District Court jury on Friday found DDB Needham Worldwide partly to blame for a 1987 rafting accident on the Chilko River and ordered the agency to pay $1.1 million to the family of retired executive James Fasules, who drowned on the trip.

The verdict followed more than 3 hours of deliberations, and the jury determined Mr. Fasules himself was partly to blame.

Ron Thompson, the guide hired by then DDB Needham U.S. President Al Wolfe, testified earlier in the week that he had pulled Mr. Fasules to a safe position after the accident, suggesting Mr. Fasules had apparently left that position and drowned.

William Swindal, attorney for Needham, held out hope Judge Charles Kocoras might set aside or reduce the award.

The jury actually awarded $2 million in damages, reduced to $1.1 million after determining Mr. Fasules was 45% responsible. Illinois law, under which the damages were determined, would have barred any damages if Mr. Fasules had been at least 50% responsible.

The jury awarded $1.5 million (reduced to $825,000) for losses of services and society to Mr. Fasules' widow and $50,000 (reduced to $27,500) for each of Mr. Fasules' three children. Mr. Fasules' estate got $350,000 (reduced to $192,500) for "loss of goods, pain and suffering."

The family had asked for $5 million.

"God had nothing to do with this accident. Nature had nothing to do with this accident. This accident was caused by negligence."

In closing arguments, Brian Crowe, attorney for the Fasules family, said Mr. Wolfe never adequately warned Mr. Fasules about the dangers of whitewater rafting and "negligently exercised control" over the guide for that fateful Aug. 1, 1987, excursion. Five men died when the raft struck a rock, dumping into the river 11 of the 12 men on board.

"God had nothing to do with this accident. Nature had nothing to do with this accident," Mr. Crowe said. "This accident was caused by negligence."

Mr. Swindal, chief attorney for DDB Needham, countered in his closing arguments that Mr. Fasules "was a risk taker who was aware of the risks."

Mr. Swindal also told the jury to disregard as gross overstatements Mr. Crowe's attempts to characterize Mr. Wolfe as a "macho man" who led the trip "like Rambo going through the rainforests of Southeast Asia."

"When you peel away the hyperbole, the overreaching, Needham is not responsible" for the death of Mr. Fasules, Mr. Swindal said.

Before final arguments, jurors heard Mr. Wolfe testify for a second time. He said the trip "started with a business base."

But fishing and rafting trips are chances "for people working hectic schedules to get away from all the trappings [of the business world]," he said.

Mr. Wolfe said he invited Mr. Fasules after another invitee canceled.

"I told [Mr. Fasules] there would be at least 45 minutes of the wildest and wooliest

(Continued on Page 8)

DDB Needham back with Mac

Price strategy used for Denver co-op aids $55M win

By Scott Hume

DDB Needham Worldwide last week recaptured a piece of McDonald's national account by following the strategy Leo Burnett USA used to win the account in 1981: Be patient, let McDonald's know what you can do and show your loyalty by not pursuing competitors' accounts.

DDB Needham, Chicago, won $55 million in national McDonald's Corp. business because the agency has shown, through its handling of local co-op accounts, what it could do to help the fast-food marketer's stagnant domestic sales. The business comes from Burnett, which keeps $245 million of the account.

Now that DDB Needham is in the national door, the agency can work on winning the remainder of the McDonald's account, the same method Burnett used.

McDonald's sources say work that DDB Needham's Denver office has done for the co-op there contributed to both the win and a shift in McDonald's marketing strategy.

Local ads in Denver are currently promoting a 59¢ "Any-time meal" discount program and a "59-second service guarantee" (any slower and customers get free fries). Those tactics are keeping customer counts above those in many other markets.

Following the agency announcement, McDonald's told franchisees that the company was initiating a new national "value strategy." The strategy is expected to include menu changes and deep price discounting.

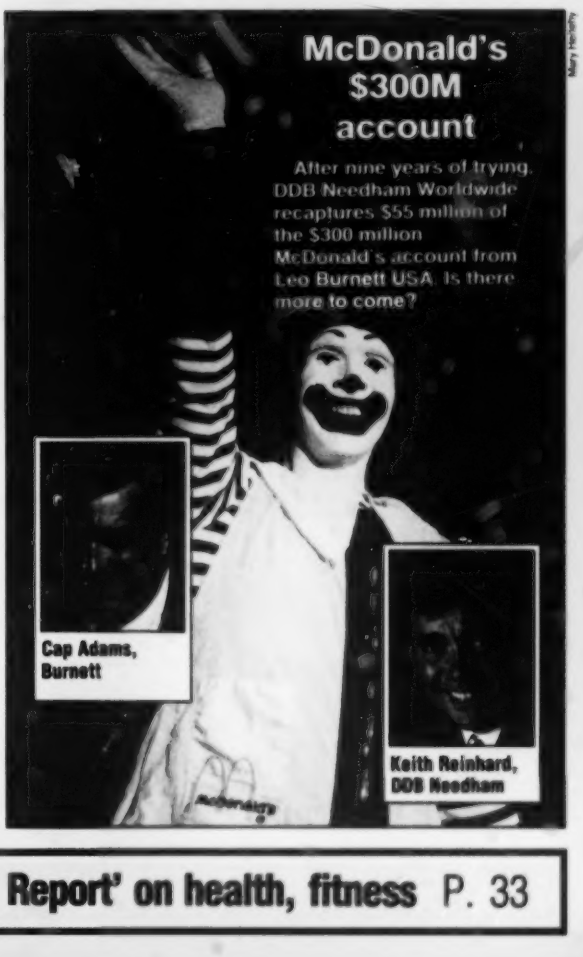
McDonald's Chief Financial Officer Jack Greenberg was quoted on the Dow Jones news wire as saying the strategy could include selective price cuts. But he denied rumors of permanent, across-the-board menu slashing.

He also said the new strategy might include portion-size decreases that would allow for price reductions without hurting profits. For example, children's Chicken McNugget Happy Meal packs could include four rather than six nuggets, at a lower price.

Analysts expect McDonald's, which last year spent roughly $300 million in the U.S. through Burnett, to spend even more heavily in 1991 to build market share and customer traffic.

The size of the assignments

(Continued on Page 60)


McDonald's $300M account
After nine years of trying, DDB Needham Worldwide recaptures $55 million of the $300 million McDonald's account from Leo Burnett USA. Is there more to come?
Cap Adams, Burnett
Keith Reinhard, DDB Needham

Agencies substitute parties with charity donations P. 4 ■ **'Special Report' on health, fitness** P. 33

NEWS SUMMARY

■ **A jury** awarded $1 million-plus damages to a widow in the Chilko River tragedy, deciding against DDB Needham. 1

■ **McDonald's** assigned about $55 million in billings to DDB Needham Worldwide, splitting the $300 million account with current agency Leo Burnett USA. 1

■ **Liquor and bottled water from Europe** face steep price hikes if the U.S. imposes punitive import duties. 3

■ **Black & Decker** is suing 20th Century Fox, charging a deal to show its cordless drill in "Die Hard 2" fell through, aborting a planned tie-in promotion. 3

■ **Bally's Health & Tennis Corp.** moved its media buying to Western International Media. Loser J. Walter Thompson USA said it suggested the move because of the financial woes at Bally's parent. 3

■ **Post division** of General Foods USA said it recorded its first cold-cereal market share gain in 10 years by "paying attention to details." 4

■ **Matsushita's** plan to buy MCA may help the Big 3 TV networks in their attempts to ease the government's financial interest and syndication rules. 10

■ **Hertz** is joining with Northwest Airlines in a frequent-flier program, reversing the company's earlier pullback from such promotions. 12

■ **Conde Nast Publications'** launch of *Allure* into the beauty magazine field next March will probably be successful despite a weakness in the market, observers say. 16

■ **Honda's agency** explains how it created its current TV spot featuring an "inflatable" Honda CRX subcompact. 20

■ **'The Sporting News'** next year will introduce new graphics and move away from a statistical record orientation in its coverage to more analytical pieces. 21

■ **Smartcars** has begun a licensing program for auto dealers to sell low-mileage former rental cars. 24

■ **Alfred T. Burke** says he quit as president of Royal Crown Cola Co. because of Chairman Victor Posner's involvement in company management. 25

■ **Cher** and actress Winona Ryder tied for most cover shots on leading magazines during November. 41

■ **Florists' Transworld** Delivery Association's new gift-giving ad campaign, with spokesman Merlin Olsen, stresses fun rather than emotion. 51

■ **Philip Morris USA** maintained its wide lead in the U.S. cigarette field, according to preliminary 1990 data from analyst John C. Maxwell Jr. 56

■ **Volvo** has been delayed in completing its investigation of a rigged TV commercial, reportedly because of uncooperative or missing witnesses. 57

■ **Procter & Gamble** defended its advertising for Citrus Hill Fresh Choice orange juice after the state of Texas said it planned to sue for "false, misleading and deceptive practices" in advertising for the product. 58

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Car advertisers take bye on Super Bowl

High price, ad clutter turn off marketers

By John McManus

Automakers are turning from Super Bowl XXV in droves, though big-time ad battles between soft drinks, athletic shoes and Budweiser beers are expected.

Airlines, insurance companies and credit card marketers are also missing so far from the Jan. 27 ABC telecast.

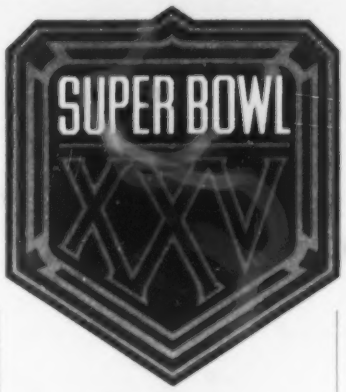
The $800,000 price tag for a 30-second commercial in a year without many new models is what's driving away U.S. and Japanese automakers.

"Sports is a bargain these days, and frankly you don't need to spend $800,000 to make a statement," said Annette Cerbone, VP-network programming in the New York office of Chiat/Day/Mojo, agency for Nissan Motor Corp USA.

"If you're only going to buy just one spot, we're starting to think it's a waste, because you get buried by the advertisers who are buying the multiple spots," she said.

By the end of last week, all but six of the 56 30-second units available had been sold out, ABC said. An undetermined number of additional units that cost dramatically less than $800,000 per :30 are available in pre-game and post-game shows.

Only two car companies had committed to buy airtime by late last week.



"Sports is a bargain these days. . . . you don't need to spend $800,000" per :30.

ABC said Volkswagen of America's Audi unit will run a :60 in the pre-game show and repeat the commercial during the game.

The network wouldn't identify the other automaker. Chrysler Corp., General Motors Corp.'s Pontiac Division, Toyota Motor Sales USA and Nissan advertised on Super Bowl XXIV last January.

"At this time last year, CBS was sold out of its game inventory but had much more available in its pre-game and post-game shows," said Jake Keever, exec VP-sales at ABC. "We've been able to protect our price of $800,000-plus and have done very well at packaging the pre- and post-game shows with our in-game inventory."

CBS sold out its commercial inventory for Super Bowl XXIV at a cost of $725,000 per :30. But in the game, the San Francisco 49ers blew out the Denver Broncos 55-10, resulting in a 39 Nielsen rating and a 63 share, making it the worst-rated Super Bowl in 20 years, though it still has been the year's most-watched program.

Audi will launch a major new campaign and theme line, said Bob Garity, manager-advertising for the importer. DDB Needham Worldwide, Chicago, is the agency.

Mr. Garity wouldn't disclose details but said the campaign will focus on "handling and control aspects" of Audi cars. Audi will follow up with a 12-page supplement in *The Wall Street Journal* later in the week.

Toyota, which bought three :30s last year, is skipping the event because it has nothing new to introduce and decided to divert money to other sports programming.

"We would rather be involved in something that gave us a little more continuity in our presence," said David Pelliccioni, Toyota's national advertising manager.

Nissan said it has no new vehi-

(Continued on Page 57)

Analysts: WPP troubled

By Laurel Wentz

LONDON—U.K. analysts are worried WPP Group could be short of money to cover covenants in loan agreements after the first quarter of 1991 if the climate for the advertising industry keeps worsening.

Chief Executive Martin Sorrell is believed to be negotiating with his U.S. and U.K. banks, which could possibly pressure him to sell assets or seek an equity partner to raise cash if covenants, or agreements, are breached. WPP declined comment.

Analysts, however, say the banks would be more likely to make WPP pay higher interest rates if covenants on interest cover and working capital can't be met.

Interest cover is the number of times operating profits cover likely interest payments. Loan agreements generally have covenants specifying the interest cover to be maintained as well as limits on working capital to be drawn.

WPP is expected to undergo an even more stringent round of rebudgeting at its operating companies, including J. Walter Thompson Co. and Ogilvy & Mather Worldwide, as Mr. Sorrell struggles to produce better numbers.

Budget meetings are scheduled today in New York with JWT and next week in London with Ogilvy & Mather.

JWT here has already fired 10% of its staff, letting 40 people go last week. In the U.S., Scali, McCabe, Sloves last month laid off 35 to 40 staffers following the loss of the $40 million Volvo Cars of North America account.

One WPP agency executive said his shop expects to be asked to review costs again.

"The banks will extract their pound of flesh. If WPP breaks [their covenants], the banks will want higher interest rates. . . ."

WPP's share price tumbled after the company warned on Nov. 19 that 1990 pretax profits will be lower than expected due to the advertising downturn in the U.S. and U.K. Analysts quickly revised pretax profit forecasts down 18.5% to about $176 million.

Despite the profit revision and higher debt—the company has had to use more working capital than expected due to the general economic slowdown—WPP shouldn't have trouble meeting its covenants on interest cover and working capital this year.

"With the high level of uncertainty about next year's profits, there's a risk [WPP's] covenants could be breached in 1991," said David Forster, an analyst at U.K. stockbroker Kleinwort Benson. "If that happens, do the banks call in their loans? The answer is it's very unlikely. They'll probably renegotiate."

Mr. Forster said if WPP does breach its covenants, it would probably happen in March or April because cash flow is weakest at the end of the first quarter.

It's still unclear what concessions banks would expect if WPP defaults on its covenants.

"The banks will extract their pound of flesh," one analyst said. "If WPP breaks [their covenants], the banks will want higher interest rates [on WPP debt] and other things."

The "other things" could include cutting WPP's dividend, which is likely in any case, the analyst said.

If WPP's financial situation worsens, the banks could pressure the company to sell assets or seek a partner, financial experts say.

Seeking an equity partner would be unpopular with shareholders because it would dilute their stakes in the company. There's been speculation Mr. Sorrell has approached Dentsu; the

(Continued on Page 62)

SPECIAL REPORT

Health & Fitness Marketing

Edited by Adrienne Ward

Americans step into a new fitness market

Population ages, walking grows in stature and equipment makers run off to find new converts

By Adrienne Ward

AD AGE GALLUP SURVEY

More people are exercising on a daily basis now than ever before, an exclusive *Adrertising Age*/Gallup Organization survey shows.

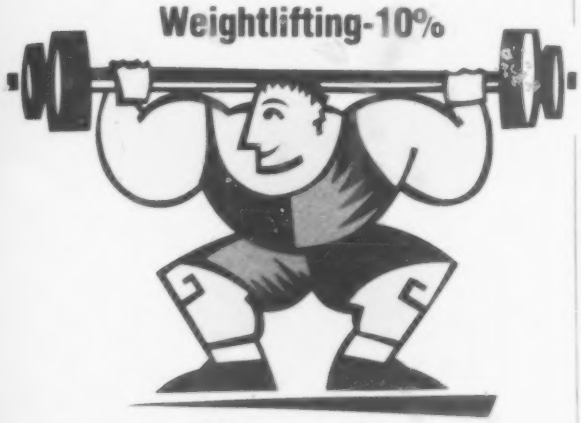
But while exercise patterns are growing, consumers are not spending much money to keep fit.

A telephone survey of 1,000 adults shows the number of Americans that do some daily activity to keep physically fit is increasing, from 44% in 1985 to 67% this year.

Walking is the top choice for 54% of respondents, while 6% cite running, 10% cycling, 8% aerobics and 10% weight lifting. Other answers cited by respondents range from swimming and calisthenics to working in the garden and chasing after the kids.

"A lot more people are walking now because they realize heavy-duty exercises are tougher on their joints," says Emrika Padus, executive editor of *Prevention*, whose data also indicate a walking boom. "Research shows that walking is just as good for an aerobic workout as many other activities."

The problem for health and fitness marketers is that walking is relatively inexpensive. Beyond a good pair of shoes and some comfortable workout clothes, consumers do not need to invest a lot of money to keep up the activity.



Weightlifting-10%

Age			Sex	
18-34	35-54	55+	Male	Female
18%	9%	2%	16%	5%

When Gallup asked respondents how much they spend on fitness or athletic equipment a year—excluding club memberships—40% of respondents said they spend nothing; 24% spend less than $100; 19% spend $101 to $250; and 6% spend $250 to $400. At the high end, 3% spend $1,000 or more a year on equipment.

Cathy Calhoun, director of advertising and PR for Wilson Sporting Goods, says her company is not feeling pinched by the walking boom.

"If everyone was gardening and walking, we wouldn't be here," she says. "I'm happy to say people are also golfing and playing tennis."

Wilson's target audience is the serious tennis player and golfer who is willing to spend the money to get the best equipment available, Ms. Calhoun says, adding the company is introducing a new tennis racket that will retail for $300, which she says is higher than any other available racket.

Cycling-10%

Age			Sex	
18-34	35-54	55+	Male	Female
11%	10%	7%	9%	10%

Many fitness experts say there's greater growth potential beyond the hard-core fitness buffs but also warn marketers will have to work harder to reach them.

Thomas Doyle, director of information and research for National Sporting Goods Association, says one in five adults exercises at least once a week, two in five don't exercise at all and two in five feel they should exercise but don't.

"That's 40% of the adult population that's an untapped market," he says.

"The most common excuse these people give is they don't have enough time, but that's a lie," he says. "Couch potatoes deep down admit they haven't motivated themselves; they blame themselves. The trick for marketers is to find the button that gets them to overcome that barrier."

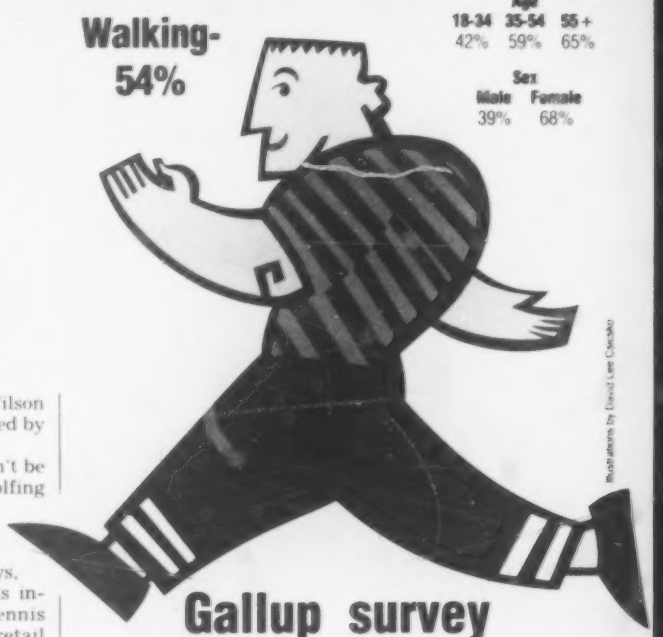
Aerobics-8%

Age			Sex	
18-34	35-54	55+	Male	Female
12%	7%	4%	3%	13%

Mr. Doyle says workout machines with feedback mechanisms, otherwise known as "bells and gadgets," are beneficial because they give immediate responses that can help people stay with something they don't like to do.

He also believes higher prices help keep people motivated.

"From a psychological point of view it's useful. Just spending more [on a piece of exercise equipment for the home] is motivation to use it. People feel guilty if they don't," Mr. Doyle says. "There are far too many [less-expensive] exercise bicycles sitting in attics."



Illustrations by David Lee Csicsko

Walking-54%

Age			Sex	
18-34	35-54	55+	Male	Female
42%	59%	65%	39%	68%

Gallup survey on U.S. health and fitness trends

The Gallup Organization surveyed 1,000 adults to find out where they stand on fitness. The results show 67% engage in some form of exercise on a daily basis, up from 44% five years ago. Walking is the No. 1 activity, followed by weight lifting, cycling, aerobics, running and playing ball. For more survey results, see Page 39.

Charles Kuntzleman, a fitness consultant and University of Michigan associate professor, says exercise marketers have generally focused on one market—young, upscale, white-collar consumers—and have ignored the rest of the market.

"We have to somehow learn how to turn the key on [the middle class]. That's where marketers have failed."

Mr. Kuntzleman also is critical of marketers who emphasize health in their ads.

"The majority of people are not motivated by health until they lose it. That's why seniors exercise—they experience a decline of sorts and so they start walking programs," he says.

Running-6%

Age			Sex	
18-34	35-54	55+	Male	Female
11%	5%	1%	10%	3%

Mr. Kuntzleman suggests marketers pitch appearance rather than health issues. But he says advertising campaigns that pitch appearance should have a sense of reality to their promises.

(Continued on Page 39)

NordicTrack plows new path P. 36 ▪ **Health clubs fight to stay with times** P. 38

Go-go '90s outpace sluggish '60s

But spending on fitness gear is nothing to get worked up about

■ Aside from any work you do at home or at a job, do you do anything on a daily basis that helps you keep physically fit?

1990	67%
1985	44%
1982	47%
1980	46%
1977	47%
1961	24%

■ How much do you spend on fitness equipment in a year, not including club memberships?

None	
18-34 years old	28%
35-54 years old	36%
55 + years old	64%
Less than $100	
18-34 years old	25%
35-54 years old	27%
55 + years old	18%
$100 to less than $250	
18-34 years old	23%
35-54 years old	20%
55 + years old	11%
$250 to less than $400	
18-34 years old	8%
35-54 years old	7%
55 + years old	1%
$400 to less than $550	
18-34 years old	8%
35-54 years old	5%
55 + years old	2%
$550 to less than $700	
18-34 years old	1%
35-54 years old	1%
55 + years old	0%
$700 to less than $850	
18-34 years old	1%
35-54 years old	1%
55 + years old	-%
$850 to less than $1,000	
18-34 years old	1%
35-54 years old	0%
55 + years old	0%
$1,000 or more	
18-34 years old	5%
35-54 years old	3%
55 + years old	1%
Don't know	
18-34 years old	1%
35-54 years old	1%
55 + years old	2%

■ Which of the following media do you use as a primary source of fitness information?

	Yes	No
Newspapers		
18-34 years old	38%	62%
35-54 years old	48%	52%
55 + years old	53%	47%
Magazines		
18-34 years old	66%	34%
35-54 years old	66%	34%
55 + years old	55%	44%
Cable TV		
18-34 years old	42%	58%
35-54 years old	36%	64%
55 + years old	36%	63%
Network TV		
18-34 years old	41%	59%
35-54 years old	44%	56%
55 + years old	47%	53%

■ Which of the following is a primary source of fitness information?

	Yes	No
Doctor		
18-34 years old	37%	63%
35-54 years old	44%	56%
55 + years old	50%	50%
Books		
18-34 years old	45%	55%
35-54 years old	48%	52%
55 + years old	39%	61%

Source: The Gallup Organization

Stepping in

(Continued from Page 33)

"The message has to have truth, that change is not going to happen overnight," he says.

Many sources in the fitness industry cite Nike's "Just Do It" campaign as an example of how to move people from inactivity to activity without making false promises or offering unrealistic goals.

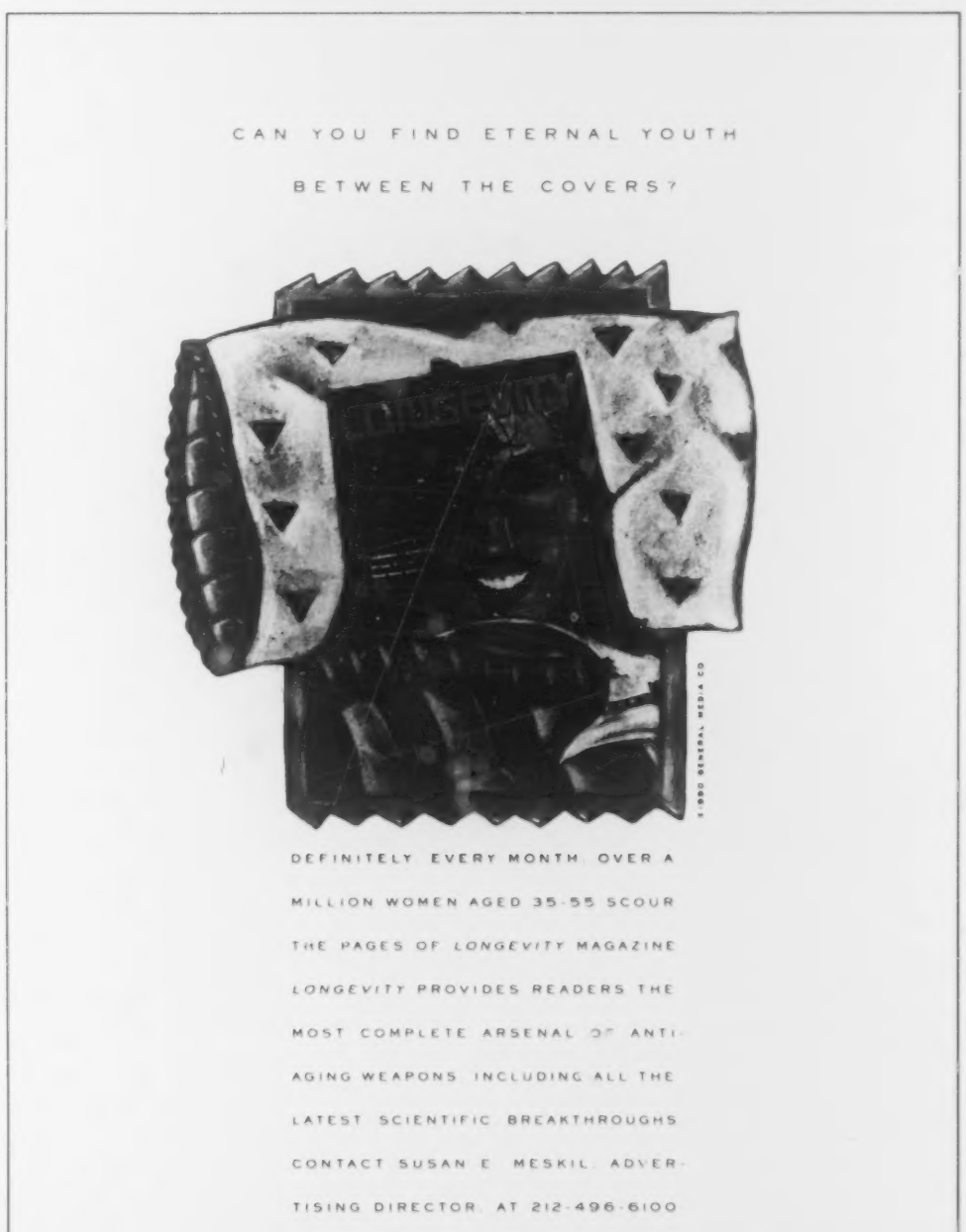
"It appeals to hard-core fitness enthusiasts and also to the fence sitters," Mr. Kuntzleman says. "Instead of emphasizing a real vigorous body, the message is just stop talking about it."

David Lee Csicsko

Organized ball teams-4%

Age			Sex	
18-34	35-54	55 +	Male	Female
9%	2%	0%	6%	2%

The *Ad Age*/Gallup survey indicated many Americans are interested in fitness routines beyond traditional sports and workouts. Some of the non-traditional daily workouts cited were: gardening/yard work, housecleaning and watching the kids, which each received up to 4% of responses. □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Health clubs

(Continued from Page 38)

ford to join these exclusive clubs doesn't aspire to be somebody else, says Darren Hodgdon, exec VP-marketing for Sporting Clubs of America, which owns 11 high-end clubs.

Marc Onigman, publisher of *Club Industry*, estimates 30 million Americans belong to health clubs, up from about 20 million five years ago. In the same time period, the number of health facilities has increased 20% to about 30,000 currently.

But the current figures are illusory because they don't include people who work out in corporate or residential health facilities or members of not-for-profit YMCAs and YWCAs, he says.

One way the industry has attempted to reach new audiences is to emphasize fitness as a stress reducer and general health enhancer, Mr. McCarthy says.

"The '90s appeal is on being your best in all parts of your life, so we'll see more and more clubs addressing stress, weight and other mature adult issues," he says.

However, some people want to be where the bodies are.

For them, Bally's Health & Tennis Corp. continues to tout its 311 U.S. clubs with well-sculpted celebrities. Sheena Easton, Don Johnson and Shari Belafonte are currently celebrity spokes-physiques.

Sports Club Co., with eight clubs in southern California, features stunning models in ads for its five Sports Connection facilities.

"L.A. is basically a body market," says Sports Club VP and cofounder Nanette Pattee Francini. "In other markets they can talk about the de-stressing and the cardiovascular equipment. Our people are into those things, but the main point is how they look." □

Dennis Rodkin is a free-lance writer in Des Moines, Iowa.

DMA to publish green handbook

By Alison Fahey

Direct mailers, and catalogers in particular, are getting green.

By the start of next year, the Direct Marketing Association will publish guidelines on how its members—major users of paper and ink products—can implement environmentally responsible practices.

This is the first result of the DMA's Task Force on Environmental Issues, formed last year to investigate ways direct marketers can be more environmentally conscious.

The booklet, called the "DMA Environmental Resource for Direct Marketers," urges the 3,600 member companies to "reduce, reuse and recycle." It encourages direct marketers to clean up mailing lists, establish in-house recycling programs, use recycled and/or recyclable paper and packaging, reduce paper waste and support the development of recycled paper markets.

"Initially, environmentalists were quick to single out direct mail as a target as being anti-environmental," said Chet Dalzell, the DMA's director of public relations. "However, a lot of the same groups have realized that they, too, rely heavily on direct mail, and instead of taking a confrontational approach, they are beginning to participate with us."

But the DMA acknowledges there are several obstacles for direct mailers. Switching to recycled paper stock may diminish the quality of photographs in catalogs, and there's a limited supply of recycled paper in the U.S.

Still, the obstacles haven't deterred direct mailers from experimenting with green programs.

Some marketers are printing portions of their catalogs on paper with recycled content, including Eddie Bauer Inc., L.L. Bean Inc. and Roberta Fortune's Almanac. Others, including Esprit de Corps, MacConnection, Patagonia and Seventh Generation have been able to print the entire catalog on paper with recycled content.

Other efforts under way include:

- L.L. Bean next spring will publish a specialty catalog printed on 50% recycled fiber. The cataloger is already shipping orders of certain sizes in recycled and reusable cartons. In addition, L.L. Bean last year formed "Outdoor Volunteer Opportunities," a program that encourages consumers to volunteer in the outdoors. The company promotes the program in its catalogs.
- Times Mirror Magazines, publisher of nine national magazines including *Field & Stream* and *Golf Magazine*, has formed an internal committee of editors and corporate staff to investigate using combinations of recycled paper for sections in the company's magazines.
- Esprit, an apparel cataloger, has been using recycled paper stock since early this year. The company's latest catalog urges consumers to "Live with the earth in mind."
- Williams-Sonoma, Pottery Barn, Hold Everything, Gardener's Den and Chamber's are encouraging their customers to reuse materials used for shipping and packaging. These catalogers have switched to a polystyrene plastic foam that doesn't harm the ozone layer.
- Roberta Fortune's Almanac, which stopped using polystyrene foam in packaging three years ago, recently donated catalog space to publish environmental tips for consumers. The company is also sending tree seed packets with each order. □

Lotto's winning numbers

Ohio Lottery employs data-base marketing

By Ira Teinowitz

The Ohio Lottery is hoping it can boost sales by adopting data-base marketing.

In an apparent first for state lotteries, the Ohio Lottery is using direct mail couponing to put together not only a list of lottery players but demographic information about their playing habits.

Depending on how well the mailing works, players will be targeted for later direct marketing based on the data.

"We are trying to capture the names of our players," said Shel Green, exec VP of Integrated Target Marketing, Westlake, Ohio, which handles the effort.

Marcus Advertising, Cleveland, is the lottery's ad agency.

"We are one of the lotteries that is maturing, so we are preparing for the future," said Ron Nabakowski, lottery director, who added that the targeting will be especially helpful in luring higher-income players.

"We have started off in the position of being accused of regressive taxation [by appealing to poorer people]," he said. "We want to continue marketing aimed outside of blue-collar to offer entertainment and recreation to groups that don't traditionally do lotteries."

Several of the 33 states with lotteries have previously offered coupon discounts, and some have tried direct marketing programs, including Illinois. But none has built a demographic data base.

"Direct data bases is the wave of the future," said Eugene M. Christiansen, a gambling industry consultant at Christiansen, Cummings & Associates.

"The gambling industry, with the exception of some resorts, is woefully behind the rest of the economy because they don't have data bases," he said. "What the Ohio Lottery is doing is developing one."

In early November, the lottery mailed 300,000 pieces to state residents with one of three offers. Some were offered a buy-one-get-one-free coupon worth $1. Others were offered a free instant game with the purchase of a lottery ticket or a free lottery ticket with the purchase of two instant games.

The mailing also tested two creative packages.

All the coupons asked those using them to fill out a short questionnaire on the back. Among the questions: number of people in the household, the types of lottery games played and how often and favorite sports.

Mr. Green said the lottery hopes to be able to use the information for future targeting.

"We hope to be able to judge the results and to market new games and pick new subjects based on the results," he said. "We want to be smarter about who our customers are."

One immediate focus may be developing a list for a planned lottery subscription drive, though Mr. Green said he hopes to see the lottery go further. □

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The Ohio Lottery may hit the jackpot with its data base.

Ad Council enlists mailers

By Alison Fahey

The Advertising Council for the first time is enlisting the direct mail industry's help for its public service campaigns.

The Ad Council, the Direct Marketing Association and the U.S. Postal Service will team next year for a cooperative initiative called "Mail for Good Causes."

"There is an opportunity for enormous levels of frequency to augment what we get with other media," said Ruth Wooden, Ad Council president. "It can also help build reach for our messages."

The program initially calls for mailers to provide distribution channels for the Ad Council's work on behalf of non-profit causes and organizations. Later, the companies might be asked to donate paper and printing services, said Lisa Caugherty, director of the DMA's Shop-At-Home Information Center.

Many of the DMA's 3,600 member companies already promote non-profit causes independently. In the past, the Ad Council has worked with individual direct mail companies, such as Advo-System.

But the medium as a whole hasn't been a part of the Ad Council's media mix, which already includes all other major media.

"Direct mail is the last large medium to uncover. It had not been aggressively pursued" by the Ad Council or the direct mail industry.

"Direct mail is the last large medium to uncover," Ms. Wooden said. "It had not been aggressively pursued by us or by" the direct mail industry.

She added the Ad Council has been contacted by about 50 direct mail companies that are interested in participating in the program.

The program will start next spring with Spiegel. The cataloger plans to insert a message in merchandise shipped to customers.

Different strategies will be tested with different mailers. In addition to inserts in merchandise, another possibility would be bill stuffers.

The Ad Council doesn't know yet how many pieces of direct mail will be involved, Ms. Wooden said, but "if 'Mail for Good Causes' is a part of even a small percentage of this country's direct mail, we can deliver important messages to millions more Americans."

In 1989, direct mailers distributed 62.8 billion pieces of third-class mail, the DMA said.

Young & Rubicam's Wunderman Worldwide direct response unit, New York, is the volunteer agency of record for "Mail for Good Causes."

Wunderman is designing the logo and will work with the Ad Council's other agencies to adapt ad messages to direct mail. □

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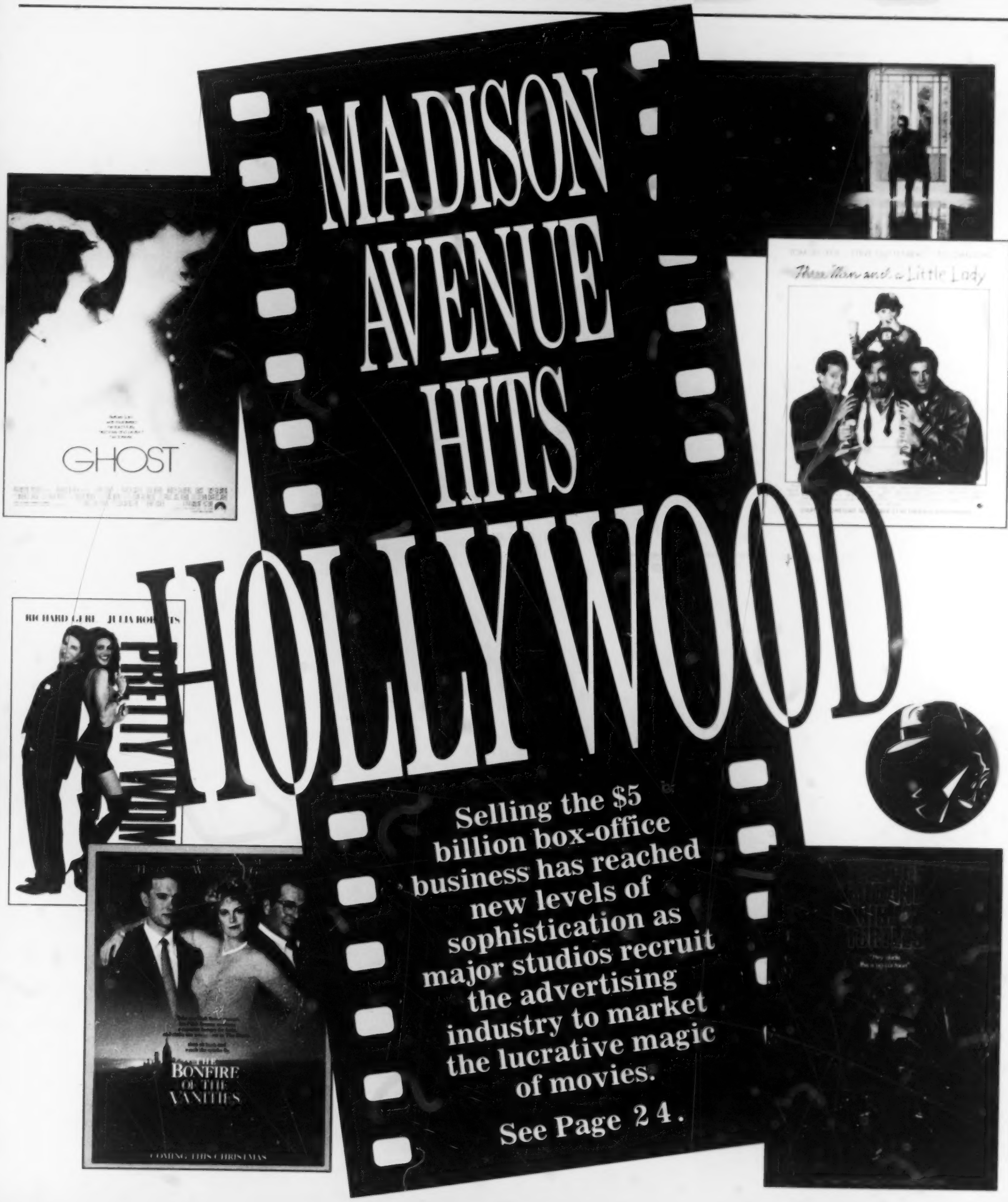
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THE BONFIRE OF THE VANITIES
COMING THIS CHRISTMAS
Selling the $5 billion box-office business has reached new levels of sophistication as major studios recruit the advertising industry to market the lucrative magic of movies.
See Page 24.

Madge, Whipple dip and squeeze in new A&W ads

By Patricia Winters

Instead of pushing toilet tissue and dishwashing liquid, Mr. Whipple and Madge the manicurist are turning their talents to A&W root beer and cream soda.

A&W Brands will try to break through the soft-drink clutter next month with a new campaign that features personalities from other TV commercials.

The marketer is hoping to stretch its media dollars by using personalities who are instantly recognizable and already established.

"We're taking other people's ad dollars and using it to work for us," said Phil Silvestri, exec VP-creative director at agency Della Femina, McNamee, New York.

Not all of the characters will be from TV commercials—Mr. T of the former NBC-TV series "The A-Team" will appear in one spot.

Madge the manicurist keeps dipping her fingers in an A&W soft drink in a new spot breaking next month.

Mr. Silvestri said the people selected are famous for a "certain schtick" and an earthiness that reflects A&W's brand personality.

The first of six 30-second spots breaks Jan. 18. They will run on network and spot TV. All the spots show the filming of a commercial on a closed set and open with a shot of a table with an A&W product, with the voice of a director instructing

(Continued on Page 59)

Mr. Whipple can't stop squeezing the A&W Cream Soda can.

Hearst, Dow Jones plan business title

Joint project to test ad climate in 1991

By Scott Donaton

NEW YORK—Hearst Corp. and Dow Jones & Co., publisher of *The Wall Street Journal*, are jointly developing a monthly business title to be tested in mid-to-late 1991.

The as-yet-untitled magazine will be published as a stand-alone and is expected to compete with every-other-weeklies *Forbes* and *Fortune*.

"We are exploring it," said John Mack Carter, editor in chief of *Good Housekeeping* and director of magazine development at Hearst Magazines. "We have an agreement to explore this in 1991 and see what kind of magazine we want to produce."

Mr. Carter said the project combines Hearst's magazine development and publishing know-how with Dow Jones' business information expertise.

Hearst approached Dow Jones several times in recent years

P. Kann

J. Carter

about exploring such a project, he said, but was told "the time wasn't right."

Peter R. Kann, president-chief operating officer of Dow Jones and publisher of the *Journal*, finally decided to take Hearst up on its offer in October.

His decision came shortly after he was named to take Dow Jones' ceo post on Jan. 1. Just before the announcement, Mr. Kann had co-authored a cost-cutting memo stating that a magazine project being developed by Dow Jones would be tabled because of a "deteriorating economic climate" (AA, Oct. 22).

"We do have an agreement [with Hearst], basically to explore whether a magazine makes sense," said Roger May, director of corporate relations for Dow Jones. "We describe it as a pilot project that could lead to a joint venture. It may or may not."

Messrs. May and Carter said it was premature to discuss the content of the planned magazine.

Dow Jones has had an on-again,

(Continued on Page 58)

Mobil's RICO victory bolsters ad industry

By Steven W. Colford

A federal judge in Philadelphia has struck a potentially serious blow against false advertising suits filed under the Racketeer Influenced & Corrupt Organization Act.

U.S. District Judge Charles Weiner last week dismissed a RICO false advertising suit against Mobil Corp., rejecting two key arguments that had formed the basis for several similar, earlier suits under that 1970 law.

At issue in the Mobil case was the package labeling, advertising and promotion of Hefty trash bags as "degradable" that appeared from mid-1989 until early this year.

The plaintiffs in the class action suit, filed on behalf of consumers, claimed they were harmed because Mobil used sales proceeds from Hefty bags to continue what they alleged was a fraudulent marketing campaign.

They also argued the relationship between Mobil and its ad agency—Wells, Rich, Greene, New York—satisfied another requirement of RICO. That criterion makes it unlawful for "any person employed or associated with any enterprise" affecting interstate commerce to participate in the enterprise's affairs through a pat-

"It's overly optimistic to say it's the end of RICO [in advertising cases], but this ruling might put an end to the recent spate of cases."

tern of racketeering activity.

Judge Weiner rejected both arguments. He said putting money derived from Hefty sales back into the ad campaign didn't satisfy the RICO statute.

The RICO criterion on reinvestment would have been satisfied only if Mobil invested the Hefty proceeds in an entirely different business, said John Williams, lead attorney for Mobil.

"RICO was enacted to prevent organized crime from taking illegal money and putting it into a legal enterprise," Mr. Williams said. "Because the plaintiffs here couldn't point to racketeering money that had been invested, they said the proceeds from the ad campaign and sales were reinvested in the campaign. They thought that satisfied the law, but Judge Weiner said no way."

The judge also ruled the relationship between Mobil and WRG didn't satisfy RICO's intended definition of an enterprise.

"This part of RICO was intended to prevent the taking of control of an innocent enterprise by racketeers," Mr. Williams said. "If that is the case, it makes no sense for that enterprise that's taken over to be the defendant or its agent."

He said the ruling was a significant turn against the proliferation of false-advertising cases under the RICO statute.

"It's overly optimistic to say it's the end of RICO [in advertising

(Continued on Page 59)

LAST MINUTE NEWS

L.A. Gear gives BBDO work

LOS ANGELES—L.A. Gear has given BBDO Worldwide the go-ahead to produce a Super Bowl campaign for the new Catapult shoe, pending agreement on compensation. But the assignment may not be a steppingstone to L.A. Gear's entire $68 million account. The three other agencies that competed for the project—D'Arcy Masius Benton & Bowles here and Goldberg Moser O'Neill and Atlas Citron Haligman & Bedecarre, San Francisco—said they may get future creative projects from the company. BBDO will work closely with L.A. Gear's in-house agency. Vitt Media handles media buying.

HDM breakup nears

NEW YORK—HDM's three owners, Young & Rubicam, Dentsu and Eurocom, on Dec. 12 are expected to formally announce Eurocom will buy HDM's European operations for about $70 million. The deal would give Eurocom the largest agency network in Europe. Dentsu and Y&R still will operate a joint venture agency in the U.S. and Asia. Separately, HDM's office here was awarded National Foods' $3 million Hebrew National brand account, previously handled by J.J. Gross.

Geier's bullish on '91

NEW YORK—Interpublic Group of Cos. Chairman Philip Geier will tell this week's annual PaineWebber Media Conference he expects advertising spending to grow as much as 5% industrywide in 1991, with the strongest

(Continued on Page 8)

INSIDE

Cable TV

Can marketing quash the regulators?

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WPP, Saatchi woes hitting U.S. units

By Gary Levin and Laurel Wentz

NEW YORK—Troubles plaguing two major U.K.-based agency groups are landing on U.S. shores, with agencies here facing intense pressure to cut costs in 1991.

The combination of high debt and a weaker dollar are making more layoffs—already commonplace among many agencies—even more likely at shops owned by WPP Group and Saatchi & Saatchi Co.

Account losses and reviews are making the situation even more tense.

WPP's Ogilvy & Mather unit last week learned Hardee's Food Systems had put its $50 million account up for review after six years at the agency *(see story on Page 3)*.

NutraSweet Co.'s $40 million account at O&M's Chicago office also is up for grabs, with a decision coming soon.

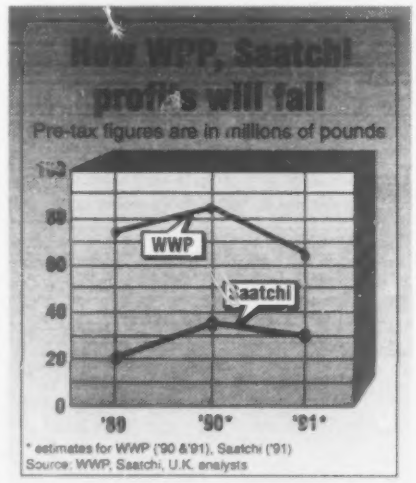
WPP's J. Walter Thompson USA—which ironically is pitching NutraSweet—has account troubles as well.

JWT dumped the media buying portion of Bally's Health & Tennis Corp.'s $60 million account, leading to the dismissal last week of 40 staffers, or one-third of the employees of the agency's Los Angeles office.

Earlier this year the office lost its largest client, 20th Century Fox Film Corp., so it ends the year with $100 million in billings—just half the size of last year.

William Lane, exec VP of the office, said Bally's had "charged up to the limit" and the agency was acting to protect the "fiduciary interest" of parent WPP. Earlier in the year, WPP Chief Executive Martin Sorrell took JWT's New York office out of the running for Continental Airlines' $40 million to $50 million account, citing the carrier's financial woes.

JWT's Toronto office also faces the possible loss of Pepsi-Cola Canada, a $21 million account being sought by Baker Lovick, owned by lead Pepsi agency BBDO Worldwide *(see story on Page 22)*.



John Hall/Holly Segure

The U.S. Marine Corps is in the midst of a mandatory review of its $16 million account. The incumbent, JWT's Atlanta office, last week lost the Snapper Power Equipment account, with measured media spending of $14 million last year, to West & Co., Atlanta.

Scali, McCabe, Sloves, the troubled New York agency negotiating to buy itself back from WPP, has lost more than $100 million in business this year, including the embarrassing forced resignation of the $40 million Volvo Cars of North America account. Remaining billings for the New York office are about $200 million.

JWT's Detroit office last week laid off six staff members, effective the end of the month, and won't replace five employees who are retiring at the same time, leaving 453 office employees and field staff who report to it.

"Martin [Sorrell] is turning his agencies over to the financial people and asking for extraordinary measures," said an executive at

(Continued on Page 8)

'National' cuts rate base

By Scott Donaton

NEW YORK—*The National* has fallen short of its circulation guarantees since its January launch and is preparing to offer make-goods to advertisers, the newspaper's executives said last week.

In the wake of a recent management shake-up, the sports daily also will lower its rate base and advertising rates.

The National has been guaranteeing advertisers a rate base of 275,000, but got about 73% of that with an average of just under 200,000 copies per day in October, acknowledged Advertising Sales Director Pete Spina.

He said the paper has missed its rate base by an average of about 30% since it was launched Jan. 31 in New York, Los Angeles and Chicago with a rate base of 250,000.

Mr. Spina last week called on major ad agencies to inform them of the circulation shortfall and explain the steps being taken to correct the problem.

The rate base will be lowered 27.3% to 200,000 immediately, although the paper is likely to deliver a bonus as it expands into new markets. The rate for a color page will be reduced 31% to $8,000.

Plans call for the paper's rate base to rise to 225,000 on Feb. 1 with the color page rate going to $8,500, Mr. Spina said. On July 1, the rate base will reach 250,000 and the cost of a color page will increase to $9,000.

The National also applied for membership with Audit Bureau of Circulations.

"We weren't ever trying to hide anything," Mr. Spina said. "We were in the blind for the first 10 months. We were led to believe we were delivering certain numbers."

Mr. Spina indicated the discovery of the gap between rate base and actual sales prompted the shake-up last month in which Pete Price, the paper's president and publisher gave up day-to-day control of the publication.

"We weren't ever trying to hide anything. . . . We were led to believe we were delivering certain numbers."

The newspaper's circulation director, assistant publisher and finance/administration director were dismissed then.

The sweeping changes were ordered by the paper's majority owner, Mexican media mogul Emilio Azcarraga Milmo. Jaime Davila, a group VP at Mr. Azcarraga's Univisa TV network, was brought here from Los Angeles to oversee the changes.

The paper's executives said Mr. Azcarraga is committed to working out problems and has no plans to sell or fold *The National*. "He is not a man who cuts and runs," said Editor-in-Chief Frank Deford.

The National expects to be in 13 or 14 markets by July. A Washington/Baltimore edition, the 10th, was launched last week. On tap are Philadelphia, Denver, Seattle/Tacoma, Wash., and, possibly, Atlanta.

Mr. Spina said several promotion and circulation efforts are being considered, including possibly advertising or distributing issues through sports arenas. A home delivery plan is also being developed.

The National expects to name a new ad agency within a month, Mr. Spina said. Wieden & Kennedy, Portland, Ore., agency for Nike, *The National*'s largest advertiser, is among a handful of candidates.

Serino Coyne Inc., New York, was dismissed shortly after Mr. Davila took the reins.

Agency media buyers said they were relieved *National* executives were coming forward with the truth. There had been persistent rumors in recent months that the paper wasn't meeting its rate base.

"I'm not surprised. What disturbed me was there was deception involved and that's too bad," said Gary Pranzo, exec VP-media director, Young & Rubicam. "We will have to sit down and figure out what we think is proper compensation."

But, he said, "It doesn't loosen my faith in the paper itself. It's still as good an editorial product as they proposed."

Paul [illegible], VP-director of print [illegible] Advertising, said he [illegible] paper "came clean. It was a positive reversal and a commitment to the future." ☐

Degree makes leaders sweat

By Pat Sloan and Laurie Freeman

Toiletries experts are predicting a major showdown in 1991 between leaders of the antiperspirant/deodorant market and two young upstarts—Helene Curtis Industries' Degree and Unilever's Powerstick.

Degree, a unisex line that's based on body-heat activation technology, was introduced late last year and now commands 5.5% of the $1.2 billion market. Powerstick, introduced about the same time, has a 3% share.

Procter & Gamble Co. and Mennen Co. are believed to be planning retaliatory measures to defend their positions.

One industry analyst said P&G is working on a technological advance for its Sure unisex antiperspirants. Meanwhile, Mennen is gearing up for a fight in the men's segment, where Powerstick is positioned.

"Next year, [Mennen is] going to ... be aggressive in terms of both product and spending," said John Dooner, president of McCann-Erickson North America. "There's no question that with Unilever involved and P&G—in a larger way with the acquisition of Old Spice—there's greater competition."

McCann-Erickson Worldwide, New York, handles Mennen.

P&G this year bought the Old Spice brand from American Cyanamid Co.

Analysts say most of Degree's success came at the expense of P&G's Secret and Sure, whose shares fell to 12.6% and 11.8%, respectively, through the first nine months of this year, from 14% and 12.5% for all of 1989.

Also feeling Degree's sting is Gillette Co.'s Dry Idea, which dropped to 4.3% through September from 5.5% for 1989, said Jay Freedman, senior VP at Kidder, Peabody & Co., and Carter-Wallace's Arrid, slipping to 9.5% in '90 through September from 10.5% for 1989.

Analysts credit Powerstick with knocking Mennen deodorant down to a 15% share through September from 16.5% in all of 1989, and Gillette's Right Guard down to 7% from 7.6%.

Despite Degree's success, industry marketing executives say the real contest could be between P&G and Unilever. The two are already gearing up for a fight between Old Spice and Unilever's Brut in the men's deodorant segment.

"They [Unilever] are the leaders worldwide with an 18% share compared to P&G's 10% share," said one marketer who asked not to be identified. "In the U.S., of course, it's the reverse.

"Unilever has wanted to get into the U.S. for years and now with Powerstick they feel they're a player," he said.

P&G's brands in the U.S. combine for a 29% share.

One source familiar with both companies noted that the antiperspirant/deodorant market, with only 4% dollar growth and 1% unit growth this year, is essentially flat. And that's where the problem lies for the smaller companies.

"Yes, it's stagnant and it's a battle for market share," said the executive. "But there's an area of opportunity.

"This isn't a category based on dreams in a bottle. It's a technically and functionally clean category, all of which means you have to spend money on advertising and also invest in technology. Unilever's in a position to do that, and P&G is. But how can a $700 million company do both? There's a competitive vulnerability."

McCann's Mr. Dooner sees it differently and suggested that some rivals to his client, Mennen, will have to pull back on spending.

"The fact is that the investment spending level of a couple of the new stick entries really suggests an impossibility in terms of a payout," he said.

But Helene Curtis VP Peter Wentz said his company plans to keep 1991 advertising and promotional spending for Degree at this year's level of about $50 million, via Saatchi & Saatchi Advertising, New York.

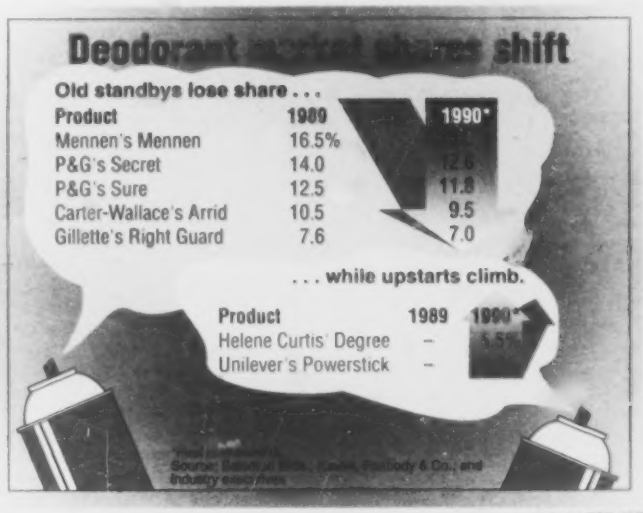
Close to $20 million of that goes into measured media.

Curtis is also preparing new Degree products, he said. And in January, Curtis will introduce a reformulated and repackaged Suave antiperspirant/deodorant backed by a 20% increase in ad spending, Mr. Wentz said.

The company will spend an estimated $8 million this year on Suave via Bayer Bess Vanderwarker, Chicago.

Mennen spent $16.7 million through August in measured media for its Mennen brand, while Unilever spent $7.4 million on Powerstick, via Lintas:New York, reported LNA/Arbitron Multi-Media Service. Gillette put $7.1 million behind its Right Guard line, via BBDO Worldwide; P&G supported Secret with $17.5 million, via Leo Burnett USA, Chicago, and Sure with $8.8 million, via Grey Advertising, New York. □

Jon Lafayette contributed to this story.


Deodorant market shares shift
Old standbys lose share . . .
Product 1989 1990*
Mennen's Mennen 16.5%
P&G's Secret 14.0 12.6
P&G's Sure 12.5 11.8
Carter-Wallace's Arrid 10.5 9.5
Gillette's Right Guard 7.6 7.0
. . . while upstarts climb.
Product 1989 1990*
Helene Curtis' Degree – 5.5%
Unilever's Powerstick –
Source: Salomon Bros., Kidder, Peabody & Co., and industry executives
HOLLY SEGUINE

New 'Daily News' salvo

Strikebound paper unveils afternoon edition

By Scott Donaton

NEW YORK—The *Daily News* began publishing an afternoon edition last week in a bid to halt strike-induced circulation and advertising declines.

Media analysts viewed the launch of the "PM Edition" as an offensive move by the tabloid's management and a sign that its parent, Tribune Co., isn't ready to give up the fight.

Ad linage and circulation declines since the strike began Oct. 25 threaten to force the company to close the 71-year-old paper.

Union leaders derided the afternoon edition as a publicity stunt and a "joke" destined to meet the same fate as the paper's "Daily News Tonight" edition, which folded in 1981 less than a year after its launch.

"Generally, what has happened in recent days makes it increasingly clear that Tribune is not ready to walk away from this thing," said Kevin Gruneich, a media analyst at First Boston Corp. "I think in the coming days we're going to see renewed vigor by the *Daily News* management and Tribune Co."

He said the "PM Edition" will increase the paper's losses and is likely to further strain management's relations with the unions.

The company's board is scheduled to meet Dec. 11 to decide whether to continue to support the *Daily News*.

Initial pressrun for the "PM Edition," being sold primarily by hawkers and newsstands in high-traffic commuter locations, is 30,000 copies. The Monday through Friday edition also includes the *News'* first use of spot color in the form of a blue band on the front and back covers.

The new afternoon edition of the *Daily News* is an indication of Tribune Co.'s willingness to fight it out, analysts say.

None of the city's other major dailies currently has an afternoon edition.

Mr. Gruneich said if the "PM Edition" leads to increased circulation, the tabloid may be able to woo back some of the major advertisers that have pulled out in recent weeks, including R.H. Macy & Co., Abraham & Straus and Alexander's (AA, Nov. 5, *et seq.*).

Most of those advertisers discontinued their ad schedules because of the *News'* distribution problems. None could be reached for comment last week.

Advertisers in the tabloid's regular morning edition are being offered the same amount of space in the new edition free. The first issue of the "PM Edition" included a handful of ads from small retailers such as Walton Mirror Works and New York Baby.

John Sloan, VP-human resources for the *Daily News*, said the paper had studied the launch of an afternoon edition for homeward bound commuters in recent months but that union contracts made the cost of producing such an edition "prohibitive" before the strike.

"After six months of extensive market research, it was determined that there was a need in the marketplace for late-breaking news and sports and business," he said. "We are able to do this now because we have eliminated the production and distribution restrictions and work rules that added unneccesary costs."

"It's a joke and a charade," said Deborah Friedman, a spokeswoman for the Allied Printing Trades Council, the umbrella group that includes the paper's nine striking unions. "They're just wasting more of their stockholders' money."

The *News'* current daily circulation is about 508,000, Mr. Sloan said, compared with 1.1 million before the strike. Union leaders say the actual circulation is between 200,000 and 300,000. □

Coppertone Sport hopes to shine

By Pat Sloan

Winter's barely begun, but Schering-Plough HealthCare Products is already thinking about summer.

The marketer is hoping to establish a new niche in the $500 million suncare category when it introduces Coppertone Sport in May.

The product, aimed at tennis players, golfers and other sports enthusiasts, is absorbed instantly into the skin to prevent it from running into the eyes or leaving a greasy residue on hands.

Schering-Plough has filed for a process patent on the product, which by reformulating existing ingredients offers "non-migrating, sweat-resistant protection" that leaves no residue, a company spokesman said.

While Coppertone Sport carries the Coppertone brand name, the product will have a separate identity created through a package design.

Coppertone Sport will be supported by a network TV and print campaign from Della Femina, McNamee, New York, and is targeted at adults ages 18 to 49.

Ideas for three commercials are now under consideration, but the campaign hasn't been finalized yet, said Mark Jones, senior account exec at the agency.

The Schering-Plough spokesman said there are no plans to use sports celebrities in advertising.

The spokesman declined to reveal the ad budget, but industry sources say they expect the launch to be supported by as much as $5 million, a large amount for the category.

Schering-Plough now spends about $6 million annually in total Coppertone advertising.

In the $328 million mass-market end of the category, Schering-Plough dominates with a 35% share through its three brands—Coppertone, Tropical Blend and Shade.

The company doesn't expect the new product to cannibalize existing Coppertone sales. While Coppertone Sport carries the Coppertone brand name, the product will have a separate identity created through a package design that represents a marked departure from traditional Coppertone packaging.

A royal blue hard-plastic tube with the dispenser on the bottom of the container instead of the top is accented by a geometric sports figure in shades of red, green and yellow. □

Commercial-free PPV an Olympian effort

NBC goes all-out to make Games' format work

By Laurie Freeman

NBC's hopes for its "Olympics Triplecast" pay-per-view package are set as high as the bar in the pole vault's gold-medal round.

Network executives foresee up to 3 million viewers and numerous promotional tie-ins for its PPV coverage of the 1992 Summer Olympics from Barcelona, Spain. But whether the network can clear the bar remains to be seen.

"I seriously question how they're going to get that level of homes to sign up for the package," says Stephen Grubbs, senior VP-national TV buying at BBDO Worldwide, New York.

Audience level is the primary issue, agrees Kay Durkin, VP-director of network broadcasts, Ogilvy & Mather, Chicago. "NBC's Olympics certainly will raise the visibility of PPV, but it's not clear . . . whether that will translate into subscribers," she says.

Viewers will shell out $149.95 for the PPV "Triplecast": 600 hours of live and taped events shown concurrently on three cable channels. The coverage is aimed at "complementing, not competing" with NBC's 160 hours of free Olympic programming, says Tom Rogers, president, NBC Cable & New Business.

Although NBC will not air commercials during its PPV coverage, the network is planning a number of promotional opportunities, which have piqued the interest of at least one advertiser already committed to over-the-air coverage.

Reebok International has signed a $10 million deal to advertise during NBC's regular coverage. The company now eagerly awaits the PPV presentation, scheduled to take place early this month, to find out how it can "enhance" its commercial presence.

OLYMPICS 1992

"One of the things we're open to is [making] our presence bigger than just the NBC media buy, a way to take it all the way to bright," says Sharon Cohen, Reebok VP-advertising.

"We're planning everything short of rolling a commercial," says Marty Lafferty, NBC's VP-Olympics PPV.

NBC hopes to go beyond the traditional boards and anchor desk signage associated with PPV, offering top sponsors promotions, sweepstakes and sampling opportunities to "augment the reach and frequency of their Olympics associations," Mr. Lafferty says.

This means NBC would like the shoe sponsor to cross-coupon, perhaps sending a $25 to $50 coupon to subscribers, good both for that amount off a pair of shoes and for a discount on the PPV package.

To convince advertisers, however, NBC must first woo viewers. Most media buyers consider PPV a medium in its infancy.

About 14 million U.S. households currently have PPV capability. NBC projects 22 million households will have installed PPV by 1992.

"It's not unreasonable to expect at least 2.5 million to 3 million" to sign up for the Olympics, Mr. Lafferty says.

NBC is working with six agencies on a $40 million PPV multimedia campaign: D'Arcy Masius Benton & Bowles, New York; DDB Needham Worldwide, Chicago; N W Ayer, New York; Della Femina, McNamee; Saatchi & Saatchi Advertising's marketing services unit; and Communications Diversified.

Still, skepticism runs high as to whether NBC can attract 3 million sports addicts and still offer promotions that add value to an already sizable Olympics media bill.

Mr. Grubbs will "take a hard look" at NBC's proposals and guarantees before he even thinks about taking the idea to BBDO clients, which include past Olympics advertisers Federal Express Corp. and Lever Bros.

Another client, Pepsi-Cola Co., may get the PPV pitch if Coca-Cola Co. doesn't bite.

The Olympics may prove a positive experiment in broadening PPV programming, but media buyers doubt it will be the turning factor in proving PPV a viable medium.

"No one single event will make or break [PPV]," says Mr. Grubbs, particularly when the majority of the Games will be shown over "free" TV, he adds.

There's no question the audience is desirable, Ms. Durkin says.

"Anyone paying that amount of money to watch . . . certainly would create an environment we'd want to be in," she says. □

Top advertised brands on cable TV ($000)

		Jan.-June 1990	% change Jan.-June 1989
1.	Sports Illustrated subscriptions	$5,365.6	77.6%
2.	Time-Life books	4,690.4	25.4
3.	McDonald's restaurants	4,481.5	94.9
4.	Sports Illustrated videocassettes	4,417.1	1,184.4
5.	Time-Life videocassettes	3,597.5	139.5
6.	Budweiser beer	3,218.4	−7.0
7.	Sears, Roebuck & Co. (household only)	2,790.8	168.3
8.	Burger King restaurants	2,679.7	87.9
9.	Bud Light beer	2,546.9	36.2
10.	Wall Street Journal subscriptions	2,495.1	48.5
11.	Levi's Jeans (men)	2,438.8	47.9
12.	Domino's Pizza	2,423.7	99.0
13.	Time-Life records & tapes	2,292.8	−3.7
14.	Michelob Dry beer	2,247.2	92.2
15.	The Sporting News subscriptions	2,231.3	33.2

Source: LNA/Arbitron Multi-Media Service. Cable TV networks are CBN, CNN, ESPN, MTV, USA and WTBS.

Advertising Age graph: Christine Martin

PEOPLE TO WATCH

Ray Joslin finds it easy to make friends in high places these days.

Big dealmakers in cable programming have found the soft-spoken 25-year cable veteran a good man to know: He calls the shots at Hearst Corp. as the publishing and TV giant focuses on cable acquisitions.

The man who pulled the trigger on Hearst's two blockbuster cable TV deals in October has been courted by just about every money-strapped cable network under the sun.

"We're not a bottomless pit," says Mr. Joslin, 54, corporate VP and head of Hearst's entertainment and syndication group. "But we've got the machinery in place to do due diligence on everything . . . we're interested in."

Mr. Joslin's visibility soared as Hearst has ponied up $200 million to become a major cable power as many media companies are cutting back for survival.

Hearst's biggest score was the more than $175 million acquisition of RJR Nabisco's 20% stake in ESPN.

Now Hearst has a major interest in three national cable networks: ESPN, 80% owned by Capital Cities/ABC; Arts & Entertainment, in partnership with Cap Cities/ABC and NBC; and Lifetime, with Cap Cities/ABC and Viacom.

Ray Joslin

Hearst also announced that its owned-and-operated WCVB-TV in Boston would join Boston-based Continental Cablevision in the $10 million start-up of a regional cable channel, New England Cable News Network.

In 1966 Mr. Joslin helped form Continental, now the nation's No. 3 multiple systems operator, while he was president of Joslin Communications. He became Continental's VP and stayed for 13 years.

He joined Hearst in 1980 as a VP and head of the company's cable communications group. In 1989 Hearst formed its entertainment and syndication group and placed Mr. Joslin in charge.

Media properties may have lost a great deal of Wall Street luster recently, but Mr. Joslin says Hearst's cable acquisition binge is far from finished.

"There are 25 established cable networks, and as the newcomers are finding out, it's a very difficult time to start from scratch," he says.

Mr. Joslin may shy away from some start-ups, but he is keeping his eye on the cutting edge.

"We have talked with all the players, and we'll keep talking to them. We've got two people on staff who do nothing but look into new TV ventures, including opportunities in direct broadcasting and international TV." □

—John McManus

OUT OF LEFT FIELD

Wacky cable shows develop a following

By Alicia Lasek

Cable's public access channels may have brought viewers thoughtful documentaries and heated local political debates. But it's the unlikely and strange that people most associate with public access. *Advertising Age* spanned the states to find proof of public access in its truest —and most fascinating—form.

"Clintonville Confidential"

For the last five years, James Wagner has documented his daily life on Columbus, Ohio's, public access Channel 21.

A producer and director at Columbus' government cable access channel, he has been known to hand his camcorder to his son and let the child film him ironing and doing dishes.

The show has generated a cult following and its share of complaints ("the camera was focused on his cat for a half-hour"), says Suzanne Patzer, programming director of Columbus Community Cable Access.

"Artistic Cosmetic Dentistry"

In Manhattan, dentist Barry Bloom hosts a one-hour call-in show he describes as "dull and devastating."

Devastating, he explains, tongue-in-cheek, because any dental encounter is traumatic for the public.

"I guess you could say it's infotainment," he adds.

"I talk about everything within the realm of dentistry," he says. "You can't leave anything out, because a healthy mouth is a beautiful mouth."

"Bernice Perry"

New Yorkers also get the retired Ms. Perry, who hosts a weekly tribute to Frank Sinatra.

Ms. Perry plays Mr. Sinatra's recordings, discusses his touring schedule and visits with guests that include other Frankie fans, stand-ins for his shows—anyone who has had contact with Mr. Sinatra in some way.

"Larz From Mars"

"Some people go bowling Wednesday nights; I go to Channel 10 and tape my show," says Fairfax, Va., taxi driver Larry Locoma.

Mr. Locoma hosts a laid-back talk show he describes as "a show to motivate people not to watch TV, to get them interested in what other people are doing." Segments include interviews with local entertainers and people with odd jobs.

"Once we had on a snake venom researcher from the National Institute of Health. We've interviewed car salesmen," he says.

"Face Your Pet"

Animal lover Kevin Roberts produces one of the most popular call-in shows on Austin, Texas, public access TV.

His pit bull terrier, Face, is the show's designated host. In addition to fulfilling society's right to meet the pets of local personalities, Mr. Roberts chats with owners of unusual animals and invites viewers to call in with questions—for the owners.

Mr. Roberts also discusses veterinary advice and continues an ongoing campaign to eliminate discrimination against pit bulls.

"Rob and Bill's Talk Show"

In South Carolina, self-described hang-out kings Rob Blackman and Bill Guandolo host what a local cable access spokeswoman calls a "kamikaze interview show."

The two invade kitchens to videotape frightening food for their "Bachelor Refrigerator of the Week" segment and read viewers' fortune cookie futures on location in Chinese restaurants.

The show also takes them into what Mr. Blackman terms "pseudo-controversial" territory, such as the landfill where the two searched for evidence of CIA payments to Gen. Manuel Noriega.

"We're what happens when you put a video camera in the hands of the common man," Mr. Guandolo adds. □

Alicia Lasek is a frequent contributor to Special Report.

Ratings newcomer tests new meter

By David Kilburn

TOKYO—A newcomer to TV audience measurement is challenging Video Research and A.C. Nielsen Co. of Japan with a technologically advanced type of people-meter system.

Nippon Datacom Corp., whose doors opened Nov. 1, has developed a system based on technology originally created for fish-finding equipment.

Funding for the new V-line system is from Mitsui Engineering & Shipbuilding Co., Data-Access, NTT Data Communications and Kaijo Denko K.K.

The system's equipment includes a box on top of the TV, a scanning unit next to the TV and a remote control unit with a button to identify each family member.

If viewers forget to push their button, the scanning unit records a discrepancy and a warning light flashes on top of the box to remind the unidentified person to punch in.

Data go directly over telephone lines to a host computer, which compiles them into report form.

Then, data go directly from the V-line's host computer into subscribers' own computer systems.

Accuracy for the V-line system, launched last month is 95%, Nippon Datacom says. The system can record individual ratings every 5 seconds, while Video Research's and Nielsen's systems record household ratings every minute. The difference could be crucial, since 15-second spots are the most commonly used in Japan.

"Japanese advertisers have been hoping for such a system. It's the right time for the hardware."

Both Video Research and Nielsen use on-line recording systems that count programs as viewed as long as the TV set is on. The systems are backed up with diaries.

Both Nielsen and Video Research are developing "passive meters" that will use cameras to record who's watching TV without viewers having to take any action.

These are expected to be ready within two years.

A representative from the Japan Advertisers Association praised the Nippon Datacom system.

"Japanese advertisers have been hoping for such a system. It's the right time for the hardware," said Toshiyuki Mori, who heads the association's broadcast media committee.

Under the other two systems, "nobody knows if only a cat is sitting in front of the television set that is on and counted under the system," he said.

Nippon Datacom installed machines on a trial basis last month in 10 Tokyo homes. The number of participating homes will increase to 500 in greater Tokyo by July. Nippon Datacom targets 9,500 households within a few years, including 3,200 in the Tokyo area.

By comparison, Video Research has 2,000 sample homes, with 300 in the Tokyo area, and Nielsen has about 800 sample homes, 300 of them in the Tokyo area.

Nippon Datacom will start seeking subscribers for the system next spring after the trial run. Pricing for information hasn't been determined. □

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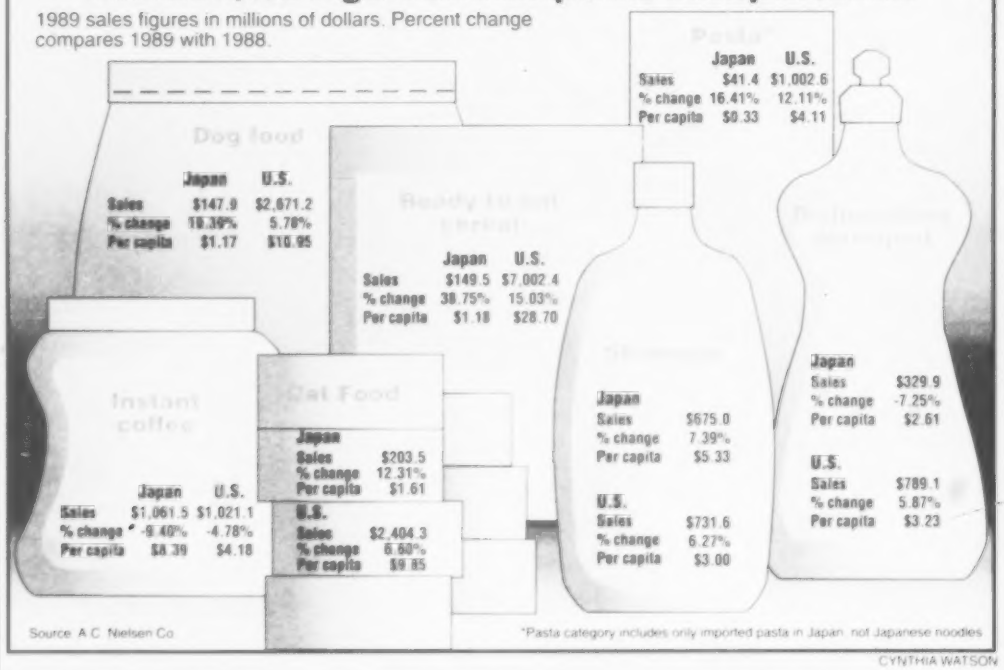
Nielsen/Ad Age consumption comparisons

1989 sales figures in millions of dollars. Percent change compares 1989 with 1988.



Source: A.C. Nielsen Co.

*Pasta category includes only imported pasta in Japan; not Japanese noodles

CYNTHIA WATSON

Banking ad ban relaxed

But industry-wide campaign killed after bank scandal

By David Kilburn

TOKYO—Japan's banking federation has halted a planned TV campaign because of a scandal at Japan's most profitable bank.

Individual banks, however, are launching their own campaigns next month, as a voluntary ban ends.

The Federation of Bankers Associations had planned to launch this fall a $7.8 million campaign through Dentsu aimed at upgrading the image of member banks.

Workers in Japan this month get bonuses of up to 25% of their annual salaries, and the campaign was slated to encourage people to deposit this money.

Taizo Hashida, chairman of the federation and president of Fuji Bank, said the campaign was canceled because of mounting public criticism of the industry in the wake of problems at the Sumitomo Bank.

Two branch managers have been indicted for making illegal loans to land and stock speculators, forcing the bank chairman's resignation. Separately, executives of the Mitsui Trust & Banking Co. were arrested Oct. 24 on tax evasion charges linked to alleged dealings with real estate speculators.

Real estate speculation by banks is being blamed for making home ownership unaffordable for many Japanese. Revelations that banks have boosted their profits by loaning depositors' money to fuel rising prices have attracted widespread criticism.

Agency sources estimate that the 12 major city banks will each spend $7.8 million to $15.6 million annually on TV advertising.

Meanwhile, individual banks are preparing for the end of a 46-year-old self-regulatory code that prevented them from airing TV spots—including cable TV, satellite TV and videotex services.

The ban was created to avoid giving large banks an unfair advantage over smaller ones.

The code allowed only generic commercials sponsored by groups such as the banking federation. For example, last year, the group ran ads themed "Liberalization of financial services and how banks are changing in response to the needs of the times," a Dentsu spokesman said.

Lifting the ban could mean TV ad spending of more than $300 million annually, Dentsu said.

Agency sources estimate that the 12 major city banks—those with national branch networks that provide retail and business banking services—will each spend $7.8 million to $15.6 million annually on TV advertising.

However, small and midsize financial institutions believe they will be at a disadvantage since most will be unable to afford TV time, sources say.

The federation will allow each member bank to run up to 375 seconds of TV commercials each month, to a maximum of 2,700 seconds a year. □

Model cuts conversion confusion

By Betsy Spethmann

Marketing research has turned to religion for its latest measurement system.

Research companies in at least five countries have introduced the Conversion Model, a system that helps marketers identify consumers most likely to try a certain brand and suggests strategies for appealing to those consumers.

The system borrows the principles of the study of religious conversion, where scholars categorized individuals by their willingness to convert. Jan Hofmeyr, a consultant to Research Surveys, teamed the conversion logic with mathematical models to develop the system.

"We determine how close consumers are to the cliff of change" from one brand to another, said John "Butch" Rice, principal of Research Surveys Ltd., which is marketing the model in Australia and South Africa. Market Facts, Chicago, markets it in the U.S.

A questionnaire measures consumers' involvement in a category, their satisfaction with their current brand, their view of alternative products, and their level of ambivalence about the category.

Product users and non-users are separated into one of eight categories based on their propensity for change. This spectrum, teamed with demographic data, shows which consumers will be most receptive to a marketer's message.

The Conversion Model also can differentiate between the motivations and market perceptions of non-users likely to switch brands and those unlikely to switch, suggesting specific marketing strategy, Mr. Rice said.

"We'll give you the hot buttons to press," he said.

Its marketers claim the Conversion Model can give early warning of possible share loss; show competitors' vulnerabilities and how a marketer can take advantage of them; and facilitate understanding of consumers' motivations for choosing specific brands.

Agencies have responded well.

"Ad agencies are among our staunchest supporters because the model gives them a creative strategy as well as measurement of how good the advertising is, independent of sales," he said.

The model was introduced in Australia, South Africa and the U.K. in 1988, and is now used in Canada and the U.S. as well. It's been applied to beer, financial services, alcoholic and non-alcoholic beverages, apparel, and cars, used by at least five auto marketers, Mr. Rice said. Projects are under way in the U.S. for restaurants and apparel, car, cigarette and food marketers.

The Conversion Model's ability to measure brand loyalty is especially valuable to marketers considering ad spending cuts.

"As user bonding to your brand increases, your brand is stronger," Mr. Rice said. "Sales could be steady, but [continuing] advertising could make you less vulnerable to attack." □

'Tis the season for CBS

The TV season has been a mixed bag for the networks. While ABC led the ratings for five age groups and NBC for three, CBS was the only network, except in one case, to show any increase from last year's ratings. CBS, the most vocal critic of Nielsen's rating system, hasn't softened its stance on the issue despite its favorable showing. Here are the ratings in each demographic for prime-time season to date, with the percentage of change from the same period last year.

	ABC		CBS		NBC		Fox	
	Ratings	% chg	Ratings	% chg	Ratings	% chg	Ratings	% chg
Women 25-54	9.2	-4%	8.9	+ 5%	9.8	-10%	4.3	-9%
Men 25-54	8.2	-9%	6.6	+ 5%	6.8	-16%	4.4	-10%
Women 18-49	8.7	-4%	7.7	+ 5%	8.9	-13%	4.6	-10%
Men 18-49	7.7	-8%	5.7	+ 8%	6.2	-16%	4.6	-10%
Women 65 +	9.0	-1%	14.6	-15%	14.9	-1%	2.2	—
Men 65 +	9.2	-10%	12.0	-6%	11.7	-3%	2.4	—
Women 18-34	8.6	-5%	6.7	+ 8%	8.2	-15%	5.1	-12%
Men 18-34	7.6	-8%	5.0	+ 9%	5.7	-19%	5.1	-11%
Teens 12-17	7.7	—	4.0	+ 21%	6.5	-19%	6.0	+ 22%

Ratings are for regularly scheduled programs. Source: Nielsen Television Index, 9-17-11-25-90 vs. 9-18-11-26-89

Count on cartography

Researchers plot maps to survey census data

By Patricia Strnad

At least four separate efforts are under way to map out the 1990 census for direct marketers.

R.L. Polk & Co. and Geographic Data Technology; Strategic Mapping; CACI Marketing Systems; and Claritas Corp. have developed systems that combine census data with other geographic and demographic information.

Polk and Geographic Data are developing an address coding guide that enables marketers to match postal addresses with census data. With the guide, Polk can develop mailing lists for direct marketers or analyze a marketer's list and furnish demographic information for small groups.

Polk, a Detroit-based marketing and research company, owns 41% of Geographic Data, Lyme, N.H., a supplier of computer-generated street maps.

The guide is a computer data base that builds on the U.S. Census Bureau's Topologically Integrated Geographic Encoding & Referencing Line files. Tiger is a file of computer-generated maps of all U.S. roads and addresses. Each address is assigned census tract and block group numbers, which identify the demographics of an area, usually 300 to 500 addresses per block group.

For example, if given the census tract and block group number in which an address falls, the Census Bureau can provide median household income for that geographic area, median age, percentage of minorities living there and other data.

Polk charges $5 to $6 per 1,000 addresses for information and will license out software packages for an undisclosed fee. The guide is scheduled to be completed by mid-1991 for use with the 1990 census results released in the fourth quarter of 1991.

The guide will also enable Polk and Geographic Data to create computer-generated value maps color-coded by demographic information, for mall developers, retailers or marketers deciding on new locations.

Strategic Mapping, San Jose, Calif., markets Atlas-GIS, a software package similar to Polk's address coding guide. It uses Census Bureau data and will use the 1990 Tiger file. But unlike Polk's guide, Atlas-GIS enables marketers to combine map files with their own data bases. Through this system, a map highlights the areas where concentrations of consumers matching desired demographics live or work. The software also can provide demographic information for an area and can print out a list of addresses and mailing labels. Introduced last summer, Atlas-GIS costs $2,495.

"The Census Bureau doesn't market [data] in its most convenient form."

Stephen Polk
President, R.L. Polk & Co.

CACI, New York, markets a consumer market segmentation program called Acorn, an acronym for A Classification of Residential Neighborhoods. The data base classifies each of 250,000 neighborhoods defined by the Census Bureau into 44 distinct consumer types, such as "high-income suburban families with young children" and "mainstream Hispanic Americans."

A marketer can provide Acorn with addresses of customers and find out which Acorn segments its customers are coming from. Marketers also can get lists of prospective customers.

Acorn uses Census Bureau data and will use the Tiger files. Depending on what specific information is needed, Acorn can cost between $1,000 to $100,000.

Similarly, Claritas, Alexandria, Va., sells a market segmentation system called Prizm, which stands for Potential Rating Index by ZIP Markets. Prizm classifies all U.S. neighborhoods into 40 basic lifestyle segments, or clusters. Like its competitors, Claritas' system matches Census Bureau data with postal ZIP codes.

The Census Bureau created Tiger in 1986 to help administer the 1990 and future censuses, and now is making the data available to marketers, developers and statisticians.

But "the Census Bureau has no commitment to keep Tiger current," said Stephen Polk, president of Polk. "New streets, addresses and subdivisions are dedicated continually, but there are no cross-references to them and no record of them within Tiger."

When Polk and Geographic Data discover an address absent from the Tiger file, the companies research its location and block group to match the address with Census Bureau demographics.

If a new subdivision is in a block group that has no history—for example, if it were built on an undeveloped piece of land—Polk would conduct research to develop statistics for the subdivision. Polk uses information such as automobile registrations, demographics of the surrounding community and housing prices.

"Marketers could send us a list of their clients or prospects and we could identify the block group and census tract on all the addresses," Mr. Polk said. "They could then get the data itself from the Census Bureau. . . . [but] the Census Bureau doesn't market it in its most convenient form."

"The Census Bureau's not trying to create marketing data bases," he said. "Once the census is completed, the bureau isn't going to put forth any effort to maintain this data base until the year 2000." □

Betsy Spethmann edits Research News.

RESEARCH BRIEFS

Researchers rank top issues: "Improving the utilization of market information" was voted the No. 1 concern for 1990-92 by the trustees of Marketing Science Institute. The ranking helps set priorities for institute-sponsored research programs. Rounding out the top five were: "measuring and managing brand equity"; "developing a market-driven, customer-oriented organization"; "improving processes for developing new products and services"; and "understanding, measuring and managing service quality."

Company notes: Generation Insights, Tonka Bay, Minn., has opened under owner Lillian Maresch. The company specializes in researching baby-boomers and also has an office in San Francisco. . . . **IntelliQuest**, Austin, Texas, has affiliated with Media Research, Seoul, to help IntelliQuest monitor the Pacific Rim. . . . **FIND/SVP**, New York, has expanded its Strategic Research Division to offer quantitative surveying and focus groups. Director Ann Middleman, 43, heads the division; she had been a consultant to FIND/SVP.

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NAMELAB®

AD REVIEW

Anything bad to say about that new Nissan ad? No sirree, Bob!

(Rating: ★ ★ ★ ½)

By Bob Garfield

Garfield

A prominent image in a new spot for the Nissan Sentra SE-R sport sedan is a yellow road sign bearing the message: YIELD TO BOB.

My sentiments exactly.

In this oppressive world of immovable Freds, intransigent Dennises and unswerving Valeries, yielding to Bob has become something of a lost art. More's the pity. Bob has a lot to contribute, if only people would put aside their petty self-interest, subordinate their own stubborn prejudices and completely submit to Bob's will.

Leland Palmer notwithstanding, is that so wrong?

The enlightened creatives at Chiat/Day/Mojo, Venice, Calif., probably think they've just added a wrinkle to their yearlong fantasy campaign, but they've actually stumbled onto a psychographic mother lode and a shining proposition for the New World Order, by which I mean not a bankrupt Soviet bloc but rather a thoroughly Bobcentric universe.

At last, Everyman has access to a performance sedan—the Nissan Sentra SE-R—as dramatized in a hilarious, Bobcentric view of the world, from Chiat/Day/Mojo.

Even if "Twin Peaks" peters out, 1991 has all the makings of the Year of Bob. Not only will the end of 1990 bring the first digital palindrome in 110 years—demanding a palindromic namesake like Bob to go with it—events in Eastern Europe and the Persian Gulf will foment much hubbub and commotion, which, of course, is bobbery.

Finally, in May, from Dell Publishing comes: "The Bob Book," the definitive trade paperback on Bobness.

So when this 30-second commercial opens, with a shot of L.A. freeway gridlock, the narrator's motoring fantasy is so much more than idle daydream; it is the antidote to discombobulation.

"If I could afford a sports sedan," he says, "the road would belong to me . . . Bob." Whereupon he jerks his sleek, black Sentra into second gear and pulls onto Bob's Expressway.

"I'd have one of those multivalve engines, independent suspension [he zooms through a tollbooth with a BOB lane], and of course a spoiler on the back ['Go Bob' green traffic signal]. Yeah, if I could afford a sports sedan ['No Parking Except for Bob' sign], life would be a cruise."

Here a motorcycle cop approaches the car, apparently after having flagged the Sentra down. "Oh," the CHiP says apologetically, "It's you, Bob." Then the voice-over says, "Introducing the new Nissan Sentra SE-R. Because rich guys shouldn't have all the fun."

Note the attention to detail. In contriving the "Bob" props, art director Corey Stolberg and director Bill Wertz are utterly faithful to roadside reality. While precisely matching typefaces is, to borrow from the foreword to an old collection of *Harvard Lampoon* parodies, "about as difficult as dialing a telephone," the fact is it's exactly the sort of detail frequently forsaken—even in feature films—resulting in jarring moments of compromised verisimilitude.

But this spot, written by Tom Witt, offers far more than a cute premise and good signage. The tour de Bob is also a psychographic tour de force, a sort of video aphrodisiac for the flaccid, benumbed, put-upon Bobs of the world.

Anyone ever cut off by a speeding, traffic weaving young underachiever recognizes the inverse relationship between worldly success and driving aggression. His car is not only a phallic extension; it is a bludgeon, wielded with impunity by an impotent working stiff empowered in no other way. Bob is the frustrated Everyman who longs for a sport sedan in which to have his way with the world, but Bob can't shell out $20,000 for the Nissan Maxima of his dreams. That car's the province of guys named Garth and Blake and maybe even Rance.

Enter the Sentra SE-R—the R, I suppose, being for Robert.

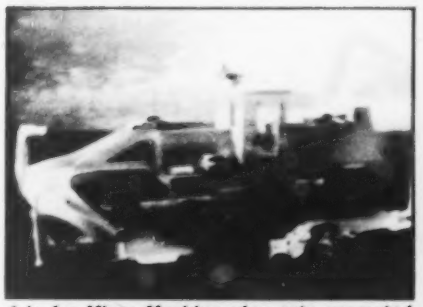
Or maybe for relief, from middle-class pressure and advertising convention. This spot proves that you can unabashedly exploit simmering class envy without either talking down to the working man or resorting to sophomoric caricatures of the well-to-do. Thrumming Bob's throttle, in other words, without running Rance off the road.

Restraint in car advertising, like the affordable performance sedan and Bob's Expressway, is an idea whose time has come. Granted, 1990 was kind of rough for the car industry and Laura Palmer. But speaking for Bobs everywhere, 1991 promises to be a hell of a year. □

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

FTC hits Galoob, agency for ads

By Steven W. Colford



Ads for Micro Machine play sets prompted the FTC to investigate Galoob and its agency for deceptive advertising.

WASHINGTON—The Federal Trade Commission last week slapped sanctions on Lewis Galoob Toys and its agency for ads that the FTC said showed toys doing things they really couldn't.

The ads cited by the FTC were for Galoob's Micro Machine toy sets, Xpanders Chopper/Assault Base and Bouncin' Kid Ballerina Kid and aired from 1988 through this year.

Ads show the doll dancing and helicopter flying, both of which require human assistance, the FTC said. They also failed to disclose that assembly was required for certain toy sets.

Under terms of the consent agreement, Galoob and its agency, Towne, Silverstein, Rotter, New York, are prohibited from misrepresenting a toy's ability to move without human assistance and from showing two or more non-identical toys not available for purchase together without "clearly and conspicuously" disclosing the toys were sold separately.

In addition, future ads must disclose that assembly is required when a fully assembled Galoob toy that requires assembly is shown in a commercial.

The agreement concludes an FTC investigation that began more than a year ago into such TV spots that aired only on independent stations.

The case involved "some very basic deception issues that were not isolated," said Lee Peeler, associate director of the FTC's Division of Advertising Practices. "There was more than one [deceptive] ad for more than one toy."

Stephen Klein, Galoob exec VP-general counsel, said the company disagreed with the FTC, but agreed to the consent "to save money and be cooperative.

"We've been advertising to children for years and TSR has been producing ads to children for years, and this comes down to a difference of opinion, a matter of interpretation," Mr. Klein said.

The company has received only "a few consumer complaints in the last few years," he said.

For Galoob, the regulatory action represents another setback in a troubled year. Galoob sales for the first nine months of 1990 were $105.4 million, down 37.9% from a year earlier, reported L.H. Alton & Co., a research brokerage firm.

As for including the agency in the settlement, FTC attorney Joel Winston said the misleading ads "represented the sorts of violations that an agency ought to be familiar with and know to avoid. This was not an instance where there is scientific substantiation involved that an agency might accept on faith . . . but rather basic issues about how to put an ad together."

The agency didn't return phone calls.

Mr. Winston suggested it was more than coincidence that the ads in question never appeared on network stations.

"Toy ads over the years have gotten better because of the networks' review process, and maybe Galoob found a way to bypass them, and when you do that, you stand a better chance of getting ads like these on the air."

Galoob joins toy marketers Hasbro, Mattel and General Mills, among others, currently operating under an FTC consent agreement for deceptive toy ads, Mr. Peeler said.

The FTC, by virtue of the agreement, "is saying it will look hard for substantiation, and also that the FTC is back. I'm sure we're going to see more cases from the FTC soon involving national advertisers," said Wally Snyder, exec VP of the American Advertising Federation and a former FTC official.

At the American Association of Advertising Agencies, Exec VP Hal Shoup noted that it had been "a long time since a case like this where an agency and an advertiser were named. I think that is the difference in this case, and I think that's a good reflection on the overall quality of advertising." □

DATAWATCH

Environmental action
U.S. consumers are taking environmental problems into their own hands. Nearly one-half of Americans have taken some environmental consumer action, such as avoiding aerosol sprays, reducing their use of paper towels and opting for glass containers and paper bags over plastic.
45%
Read a label on product to see if it had environmentally harmful ingredients
54%
31%
Bought a product because it was supposed to be good for the environment
34%
Didn't buy a product because of concern for the environment
Bought products made from recycled materials

JOHN SMITHER

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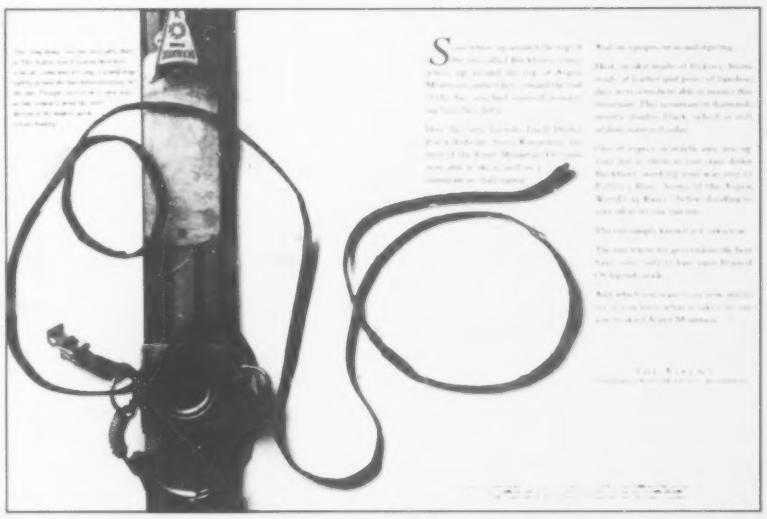

Debate swirls 'round Riney's Aspen ads

By Alice Z. Cuneo

Theirs was the glitziest little town in the West. His was the biggest marketing gun around.

So, when the folks from Aspen, Colo., decided they had to protect their ski coffers from nearby Vail and other rivals, they knew exactly the man they wanted to hire: Hal Riney. And they dug down deep into their pockets to help convince him to accept the account.

Hal Riney & Partners rode into town in November 1988, fixing to attract more skiers to Aspen.

Now, as another ski season unfolds, Aspenites are indeed engaged in battle—with one another—over the effectiveness of Riney's soft-sell approach and whether hiring the San Francisco agency was worth it.

One side of the debate is typified by Michael Sura, an Aspen pizzeria owner, who states, "I think they shot themselves in the foot."

Mr. Sura calls the Riney advertising "horrible" and partly blames it for a 12% drop in his business last year.

For this season, however, Riney has changed the advertising. And the client, Aspen Skiing Co., says it loves the new campaign.

Some Aspenites wonder why a Riney ad this winter (top) uses antique ski equipment, while earlier ads for the skiing mecca didn't mention the sport at all.

Jim Magill, Riney senior VP-account group director, in turn praises the client for "letting us do great work."

But Aspenites, a fractious lot, hold

(Continued on Page 37)

Marketers offer green standards

Industry seeks to beat states to punch

By Jennifer Lawrence

SAN DIEGO—A new group formed by marketers plans to petition the Federal Trade Commission next month to adopt its proposal for the first-ever national green guidelines.

The industry working group will be one step ahead of state regulators, who are calling for more restrictive standards.

Proposals from the industry group, which doesn't carry a formal name, are now in the final draft stage.

The group went public for the first time last week at hearings here on environmental marketing conducted by a task force of 10 state attorneys general. State officials were seeking reaction to their set of preliminary guidelines, intended as input to the FTC.

The industry proposal is likely to set off a national debate among environmental groups, state regulators and federal officials over how restrictive or liberal national green guidelines should be. The proposal is likely to fall short of state regulators' goal of requiring specific standards for making green claims.

Packaging moves to the green forefront—Page 30.

"Rather than going through this [states' open hearing] process, they're going directly to the FTC," California Attorney General John Van de Kamp said when asked for his reaction to the industry group's plan. "It's too bad because I think they could have contributed

(Continued on Page 36)

New Maybelline line targets blacks

By Pat Sloan

Maybelline Co. will put new color into the cosmetics business when it introduces Shades of You, a makeup line targeted at black consumers.

The collection of face and lip makeup marks the first time a major cosmetics company has addressed black women with a separate line in the mass market.

Shades of You bows in February, with print ads and radio commercials breaking in the spring, a company spokeswoman said. Sources close to the company said TV, outdoor and other media are being considered.

Maybelline President Bob Hiatt said DDB Needham Worldwide, Chicago, the agency that lost Maybelline's $35 million account earlier this fall to Lintas:New York, is handling the effort.

Executives at Maybelline wouldn't disclose the ad and promotion budget, and it wasn't clear whether DDB Needham would continue to work on the brand after its launch.

The agency, which is producing and completing work approved before the account switch, has been involved with the development of Shades of You dating back at least two years to the early planning stages, sources said.

"It's a smart move. . . . Instead of going eyeball to eyeball with Cover Girl, [Maybelline] can go for a specific segment. . . . That's shrewd."

Black women account for at least 15% of

(Continued on Page 36)

LAST MINUTE NEWS

France OKs ad bans

PARIS—France's Parliament passed a law last week that bans virtually all alcohol and tobacco ads, starting in 1993, giving the country the strictest rules on the promotion of these substances in Europe. The law bans all direct and indirect advertising of tobacco and strictly limits alcohol advertising to late-night radio. Alcohol and tobacco made up 3% to 4% of the French ad market.

Volvo summons 9 shops

ROCKLEIGH, N.J.—Volvo Cars of North America has set meetings with nine agencies this week in its $40 million review. Contenders include New York shops AC&R; Bloom Agency; Kirshenbaum & Bond; Lord Einstein O'Neill & Partners; Messner Vetere Berger Carey Schmetterer; and Rosenfeld, Sirowitz, Humphrey & Strauss, plus Miami agency Beber, Silverstein, McCabe & Partners. Scali, McCabe, Sloves, New York, resigned the account.

Nets see changes in rules

WASHINGTON—The Big 3 TV networks expect the Federal Communications Commission to relax the financial

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Ad Hall of Fame selects three new inductees.

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McDonald's tests McSubs Page 3 • **Tobacco group curbs movie placements, sampling** Page 31

NEWS SUMMARY

■ **Environmental marketing guidelines** will be proposed to the Federal Trade Commission next month by a new broad-based industry group. 1

■ **Maybelline** will introduce Shades of You, a makeup line targeted at black consumers, in February. 1

■ **U.S. ad spending growth** in 1991 will be only 4.6%, hitting $136 billion, says forecaster Robert Coen of McCann-Erickson—less than the anticipated 5% inflation rate. 3

■ **McDonald's** is testing submarine sandwiches in one market and small pizzas in two others. The Pizza Hut chain, meanwhile, is testing the use of in-store videos. 3

■ **Ford Motor Co.** dropped most consumer rebates and will focus ads on product virtues and image enhancement. 3

■ **Miller Brewing Co.** asked another of its agencies to produce some commercials for Miller Lite, an 11-year account at Backer Spielvogel Bates. 3

■ **The Advertising Hall of Fame** will induct agency executives Carl Ally and the late Sam Bloom, and Phil Dougherty, *New York Times* ad columnist who died in 1988. 4

■ **Department stores** will be weakened by the price cutting forced on them by mass merchandisers, analysts said. 4

■ **Dentsu and Young & Rubicam,** following the sale of HDM Europe, plan to buy shares of U.S. and European agencies. 4

■ **Some monthly magazines** say early 1991 ad pages are higher than expected, but they're not optimistic about the yearlong outlook. 4

■ **Personal computer marketers** are using sampling. Two recent examples: Lotus is tying in with Computerland of Canada, and Prodigy Service Corp. has teamed with IBM Corp. and other computer marketers. 12

■ **PepsiCo** is stepping up its marketing activity in France to compete with Coca-Cola Co. but says its advertising will be less "American" than Coca-Cola's. 22

■ **Telemontecarlo,** Italy's third TV network, is being relaunched after getting a new infusion of cash. 22

■ **Recycled plastic bottles** will be used by Coca-Cola and Pepsi-Cola soon, both companies announced, evidence that environmentally friendly packaging is becoming a major factor in green marketing. 30

■ **Nestle** is taking the lead among food companies in developing international partnerships to market new products. 31

■ **The Tobacco Institute** said new voluntary industry actions to dissuade youths from smoking will include advertising aimed at parents and restrictions on product sampling. 31

■ **AT&T and MCI** reached an out-of-court settlement of two deceptive-advertising suits and will propose new safeguards against unauthorized switching of consumers. 33

■ **Coors Brewing Co.'s** new ad campaign says 58% of beer drinkers preferred Coors Extra Gold to Budweiser in a taste test. 35

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Avrett's cut-rate fee for TWA incurs ire

By Jon Lafayette

NEW YORK—Avrett, Free & Ginsberg has started a new compensation controversy by agreeing to accept a fee that amounts to a commission rate of just less than 5% from Trans World Airlines.

Avrett won the $48 million account last week after proposing an annual fee of slightly more than $2.2 million, said Shelly Kravitz, TWA's VP-advertising and leisure marketing. The other finalist, Biederman, Kelly & Shaffer, was unwilling to go that low, he said.

"If one [agency] was head and shoulders above the rest, that would be it and forget any differential in fee," Mr. Kravitz said. "But when they're both equal and when there's a divided opinion among eight people, then the fee becomes a consideration."

TWA was shopping for a new agency because its former shop, Young & Rubicam, refused to cut the fee it had been charging and resigned the account in October after four years of handling it.

Agency executives are skeptical that Avrett can earn a profit on the financially shaky airline's account, and some speculate the discount deal will incite first Avrett's, then other agencies', clients.

"What grieves me is seeing an attitude on the part of a major advertiser that apparently is 'I will tell [my agency] how little I will pay them, and if they don't like it there's always another agency that will take it,' " said John O'Toole, president of the American Association of Advertising Agencies. "I think this is highly destructive."

"I think it's an appalling state of affairs," said Lee Anne Morgan, principal in Morgan, Anderson & Co., a consultancy that handles agency compensation matters. "I think it's a very negative way to do business with a reputable agency. I am sorry to see that any agency has agreed to those terms. . . ."

Avrett Chairman Jack Avrett was dismayed that his well-regarded agency, with billings of about $200 million, was being cast as the industry's price cutter and insisted the deal made economic sense for his shop.

"We've agreed on what is to be done, and they're paying us to perform those jobs," he said. "So it's not very complicated at all. It doesn't happen to be related much to the amount of billing that's involved, but we're going to make a fine profit on it."

Mr. Avrett said his other clients have been supportive.

"There's absolutely no sinister feeling on the part of my clients that we're getting screwed or they're getting screwed or that we're not treating everybody properly," he said.

Mr. Avrett said the agency will handle media planning but will pay Mort Keshin & Co., Roslyn, N.Y., to handle buying.

Mr. Kravitz said TWA felt justified in asking for a smaller fee despite the size of its account.

"Why . . . should the agency representing the airline billing $50 million make more than twice as much as the agency representing the airline billing $20 million when the exact same work, almost to an hour, is required?" Mr. Kravitz asked.

Biederman President John Kelly said he'd be willing to take the account if it becomes available again.

"It's an opportunity to get into the big leagues," he said. "If you're an Avrett or ourselves, it puts you on a different playing field." □

Frito, Enrico team up

By Jennifer Lawrence and Patricia Winters

The cola wars' legendary Roger A. Enrico is bringing his Pepsi-Cola marketing savvy to Frito-Lay next year, and for the snack food giant his arrival may be coming not a moment too soon.

PepsiCo last week said Mr. Enrico, 46, will become chairman of the snack foods division in early 1991. President-ceo of PepsiCo Worldwide Beverages since 1987, he assumes the newly created post as Frito-Lay starts its most competitive era ever.

In particular, pricing pressure is rampant in the potato chip segment, causing Frito-Lay to suffer minor dollar-share losses in 1989 in the overall $8 billion salty snack category and the potato chip sector, according to an industry study by John C. Maxwell Jr., analyst with Wheat, First Securities.

Frito-Lay's strategy for 1991 doesn't call for price wars. Instead, the company might rely more on promotions like a buy-one-get-one-free program to fight price cuts from competitors, said Stacy Wehr, manager of public relations.

Among Frito-Lay's national rivals are Anheuser-Busch Cos.' Eagle Snacks, United Biscuits' Keebler Co., Borden's snack unit and Procter & Gamble Co.

R. Enrico

"Roger is a great marketer and a great manager, and I think he'll bring that soft-drink experience to Frito," Mr. Maxwell said. "There's nothing more competitive than the soft-drink industry; he knows how to market and gain share."

"Roger Enrico is an expert in operating in mature, highly competitive environments. . . . He's not afraid to use pricing," said Roy Burry, analyst at Kidder, Peabody & Co.

Mr. Burry believes Frito-Lay hasn't had to go "toe to toe" with competitors yet. Frito holds nearly 50% of the salty snack category.

Frito-Lay's $60 million ad budget is split among three main agencies: DDB Needham Worldwide, Chicago; Tracy-Locke, Dallas; and Levine, Huntley, Schmidt & Beaver, New York.

Mr. Enrico, who began his PepsiCo career at Frito-Lay in 1971, is perhaps best known for taking advantage of Coca-Cola Co.'s fiasco with new Coke, documented in his book, "The Other Guy Blinked: How Pepsi Won the Cola Wars." He was also behind the $10 million deal to sign entertainer Michael Jackson.

Mr. Enrico's move is part of several top PepsiCo management shifts.

Michael Jordan, 54, becomes chairman of newly created PepsiCo International, which combines the overseas soft-drink and foods divisions. Mr. Jordan had been chairman of Frito-Lay and president-ceo of PepsiCo Worldwide Foods.

His title at Worldwide Foods is being eliminated; Mr. Enrico's former position won't be filled.

Frito-Lay President Robert Beeby will report to Mr. Enrico. Mr. Beeby earlier had said he planned to retire at the end of 1991. □

Investor interest in WPP

By Gary Levin and Laurel Wentz

With WPP Group's stock at bargain-basement prices, analysts and current and former WPP executives are saying potential investors are circling the world's biggest agency holding company.

WPP's market value dropped 75% in the past month; on Friday, the stock closed in New York at 3⅜.

WPP Group Chief Executive Martin Sorrell said Friday "a large number of people have expressed interest" in taking an equity stake since the stock plunge began. But he maintained the company could handle its financial problems on its own.

"We have control over our own destiny," Mr. Sorrell said at the PaineWebber Conference on the Outlook for Media. "We can take care of our cash needs."

Several sources are saying investment bankers have begun exploring the possibility of brokering the sale of WPP's assets or a minority investment in the company.

Sources close to Dentsu, Japan's largest agency, say it had been approached by an undisclosed investment banker seeking to determine its interest. Dentsu's response couldn't be learned, but a source said the agency wouldn't act without consulting with

(Continued on Page 36)

McD's latest: Cold McSubs

Menu battle gets hotter; new battles with Pizza Hut

By Scott Hume

McDonald's Corp. is taking on the fast-growing submarine sandwich chains in one market while increasing its challenge to Pizza Hut in two others.

Not standing still, Pizza Hut is embarking on a new marketing strategy using in-store videos as the fast-food war between the two leaders continues to rage.

McDonald's, working to revamp its menu and lower prices to boost domestic sales, has started testing a line of cold sandwiches under the McSubs name in a dozen stores in Madison, Wis.

The test also gives McDonald's a chance to see whether it can take sales from the burgeoning submarine sandwich category, especially Subway.

The 19th-largest restaurant chain, Subway was the industry's fastest grower last year and is likely to keep the title for 1990 in a market estimated at $150 billion. Subway's sales jumped 58% to $782 million in 1989, according to *Nation's Restaurant News*, which projects a 40.1% increase to $1.1 billion for 1990.

The McSubs line is available at lunchtime and dinner. So, too, are the new 6-inch "personal" pizzas.

Subway is expected to top 5,000 stores by the end of this year, ranking fifth in number of stores.

The McDonald's McSubs line includes a Veggie sandwich for $1.99; Turkey, Deluxe and Ham & Cheese subs for $2.39; and

(Continued on Page 38)

Ad spending hikes may lag inflation

By Gary Levin and Jon Lafayette

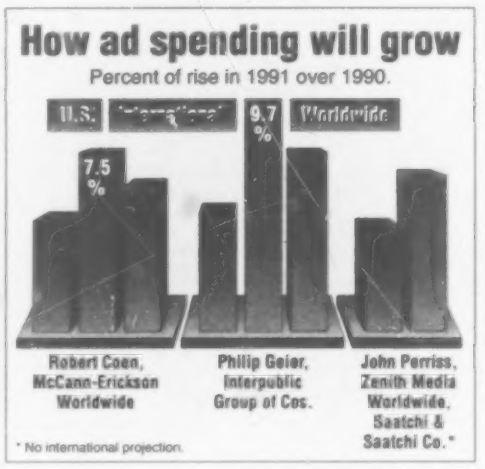
NEW YORK—Ad spending growth in 1991 may not outpace inflation, say the industry's leading prognosticators.

At last week's 18th annual PaineWebber "Outlook for the Media" conference, Robert Coen, senior VP-director of forecasting at McCann-Erickson Worldwide, said U.S. ad spending will climb only 4.6% to an estimated $136 billion, and overseas growth will slow to 7.5%, for a worldwide gain of 6.1% to $292.4 billion.

But real U.S. growth, with 5% inflation factored in, puts ad growth at –0.4%.

Mr. Coen said the major problem area in this country is local advertising, particularly newspapers, where this year ad spending rose a paltry 1% over 1989 and classified advertising declined for the first time since 1980.

Spending on national broadcast media will be up 6.1% in 1991, Mr. Coen said, and he cited as one encouraging sign his estimate that Procter & Gamble Co. will have boosted ad spending this year by 24.5%, to $1.1 billion, excluding recent acquisitions.



JOHN HALL/HOLLY SEGUINE

Total 1990 U.S. ad spending will be up 4.9%, without accounting for inflation, to $130 billion, Mr. Coen said, far less than the 6.2% growth rate for 1990 he predicted a year ago.

Overseas ad spending will rise 12.6% in 1990, a healthy gain, and ad spending growth worldwide will reach 8.9% this year to an estimated $275.6 billion, he said.

France, Japan and Spain are among the fastest-growing major overseas ad markets, he said.

On the more pessimistic side, PaineWebber analyst Alan Gottesman predicted U.S. ad spending will be flat in the first half of 1991 and up 4% or 5% in the second half, for a total average gain of just 2%.

Another forecaster, Zenith Media Worldwide, a London-based unit of Saatchi & Saatchi Co., sees U.S. spending up only 3.1% this year and 4% in 1991, but the real

(Continued on Page 34)

HOT STUFF!

The Advertising Council last week unveiled its latest holiday season flight of anti-drunken-driving commercials in White House ceremonies with President Bush looking on. This year, the spots feature a new tagline: "Take the keys, call a cab, take a stand." Wells, Rich, Greene, New York, handles.

The Beef Industry Council takes its "Real food for real people" TV campaign to the Little Italy neighborhood of New York in a spot breaking Dec. 26. The commercial continues the council's campaign focusing on towns with unusual names. Ketchum Advertising, San Francisco, handles.

Ford spotlighting brands, not rebates

By Raymond Serafin

Brand building gets a new emphasis at Ford Motor Co. with the No. 2 automaker's decision last week to drop most of its consumer rebate and incentive programs.

"We want to get away from distress merchandising," said Robert Rewey, VP-sales operations for Ford's North American Automotive Operations.

The Ford executive said the time is right for a new marketing tack because "we have a very extensive amount of new product in 1991 and continuing into 1992."

"We've been guilty of trying to move the sales needle daily, instead of investing in improving the image of our brands."

By providing promotional money to dealers instead of customers, the Ford and Lincoln-Mercury divisions plan to focus national ad efforts on product virtues and image enhancement instead of on advertising the latest in a series of deals that have been ongoing almost without interruption for more than four years.

J. Walter Thompson USA, Detroit, handles Ford Division and Young & Rubicam handles Lincoln-Mercury. Last year, Ford spent $400 million in measured media for Ford and Lincoln-Mercury auto ads.

Ford's domestic rivals, General Motors Corp. and Chrysler Corp., are closely watching the move and will almost certainly follow suit if Ford can sustain its share of market.

"I'd like nothing better than to get out from underneath those [consumer] incentives," said GM Chairman Robert Stempel. "They've sort of played out, and right now with consumer confidence where it is,

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Lite looks elsewhere

Miller tests non-Backer ads on product quality

By Ira Teinowitz

A possible crack has opened in the 11-year relationship between Miller Brewing Co. and Backer Spielvogel Bates, New York, with the brewer asking another agency to produce Miller Lite commercials.

Two product-quality TV spots shown last week to Miller distributors during the brewer's biennial conference in San Francisco are believed to have been created by either Leo Burnett USA, Chicago, which handles Miller High Life, or Frankenberry, Laughlin & Constable, Milwaukee, agency for Leinenkugel's beer and no-alcohol Sharp's.

Miller officials confirmed the commercials weren't done by Backer but declined to reveal which agency produced the spots because no decision has been made about whether they will air.

Miller's agency roster also includes J. Walter Thompson USA, Chicago, on Lowenbrau, and Wieden & Kennedy, Portland, Ore., believed to be doing project work on dry beers.

Backer has done all advertising for Miller Lite since shortly after William Backer and Carl Spielvogel left McCann-Erickson in 1979 to form their own agency. The agency's executives created the "Less filling, tastes great" campaign in 1977, while at McCann; the theme is still carried in most Lite advertising.

Miller spent $64 million on Lite advertising last year, a figure it's expected to slightly exceed for 1990. Backer also handles Miller Genuine Draft, now Miller's fastest-growing beer (and a $54 million account), and Genuine Draft Lite, now testing in 11 states.

Miller Senior VP-Marketing Charles Schmid said last week Genuine Draft growth this year will surpass last year's

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Tepid ad spending

(Continued from Page 3)

ad spending rate, with its own inflation rate factored out, is –0.2% in the U.S. and –0.67% in the U.K., said John Perriss, chairman-ceo.

In a separate presentation to analysts, Omnicom Group Chairman-CEO Bruce Crawford predicted "flattened" earnings for the next two or three quarters due to slowed revenue growth in the U.S. and continuing problems in the U.K., where general advertising revenues are down 20%.

He said client spending at Bernard Hodes Advertising, a large recruitment agency, and Doremus & Co., a financial services agency, has "collapsed in recent weeks."

Mr. Crawford said 1990 earnings should meet analysts' projections. He added that despite stricter guidelines on capital spending, Omnicom won't resort to layoffs or elimination of bonuses unless "the performance of our major companies worsens dramatically," in which case there's ample room to trim those expenses.

"We're not seeing disaster facing us in terms of our major agencies," he said. "At this stage, we don't see anything getting much worse."

Fred Meyer, Omnicom's chief financial officer, projected U.S. ad revenues will climb 4% to 5% next year, while overseas revenues will grow 8% to 9%, without inflation factored in.

"Based on our track record, we believe we can do at least as well as the industry," Mr. Meyer said.

Interpublic Group of Cos. Chairman-CEO Philip H. Geier Jr. had a more upbeat forecast for the industry.

Mr. Geier predicted U.S. ad spending will climb 5% in 1991 and international spending will be up 9.7%, for a total worldwide increase of 7.5%. None of his figures accounted for inflation.

He said his estimates were slightly more optimistic than those of Mr. Coen, who works for one of Mr. Geier's agencies, because he believes marketers will move to "protect their market share by spending through" the recession.

He added that marketers are also setting more realistic marketing plans for 1991, which should lessen the need to make budget cuts to bolster profits.

To assure Interpublic's financial position, Mr. Geier said the company is building a 3% reserve into its agencies' 1991 budgets that can't be spent until the second half of the year.

He added that given the financial weakness of British-owned Saatchi & Saatchi and WPP Group, Interpublic should have an advantage.

"Lean and mean agencies with money to invest will succeed," he said.

"1991 will be very difficult" for Saatchi, said Simon Mellor, director of corporate communications. While the agency has been successful in retaining clients, he said, those clients have shown little inclination to raise budgets from 1990 levels.

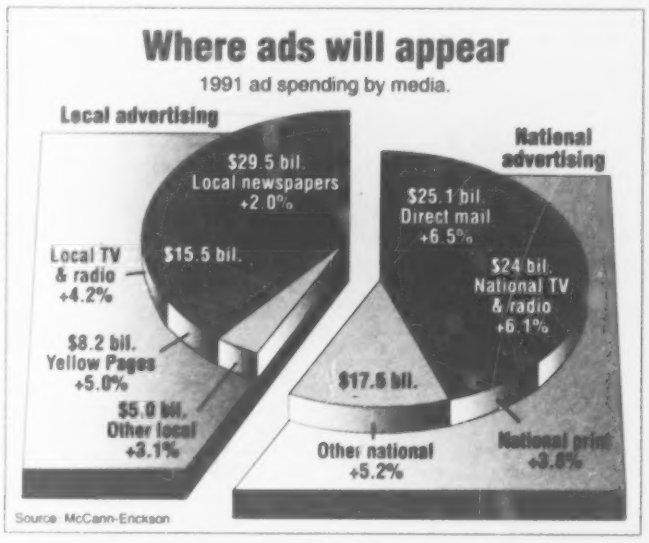
Mr. Mellor added that if revenues don't grow, head count would be further reduced from its current level of about 1,300. Saatchi CEO Robert Louis-Dreyfus has told analysts the company eliminated about 700 jobs in 1990.

Also, Mr. Mellor said the company had retained two investment bankers to get as many ideas as possible to, at some time next year, restructure its $324 million debt from a Euroconvertible share issue that comes due in 1993.

He said that, in hindsight, Saatchi was pleased with the sales of its consulting divisions. Although the company lost money on the sales, the price wouldn't have improved by waiting, Mr. Mellor said. He added that Saatchi has no timetable for selling its two remaining consulting companies and will wait until economic conditions improve.

Saatchi last week announced the sale of McCaffrey & McCall to its managers, who paid $2 million in cash and borrowed $15 million from Saatchi at 9% interest. Mr. Mellor said there are no plans to sell any of Saatchi's other agencies. [ ]

Elena Bowes in London contributed to this story.



John Hall

Super Bowl redux: Coke vs. Pepsi

By Patricia Winters and Wayne Walley

Coca-Cola Co. and Pepsi-Cola Co. will once again use halftime during the Super Bowl as a playing ground for the cola wars.

This week, Coca-Cola is expected to announce that it will rely on a high-tech promotion like its 3-D commercial during 1989's Super Bowl and its "3-D sound" spot during the 1990 Super Bowl.

The promotion for Super Bowl XXV reportedly involves distributing with Diet Coke packaging encoded game pieces revealing prizes ranging from Diet Coke coupons to $1 million. Every game piece wins a prize.

When held up to the TV screen during the Diet Coke commercial, a special signal decodes a patch on the card to reveal the prize. The technology has been used before in print but is believed to be a first for network TV.

Coca-Cola is sponsoring the Super Bowl halftime show. The company declined to comment on its plans. Lintas:New York handles Diet Coke.

Pepsi-Cola also won't comment except to say its Super Bowl program will "be big and great," said Gary Gerdemann, manager of public relations.

Pepsi reportedly was looking to draw people away from the Diet Coke promotion with its own halftime extravaganza on another network or cable. But those plans have been dropped, sources say.

Apparently there was internal disagreement at Pepsi about what to do for the Super Bowl, one source said.

Pepsi considered a show opposite the Super Bowl halftime. But, the source said, "This would be an escalation of guerrilla marketing and rather than promoting the Super Bowl—which Pepsi has spent a large sum to sponsor—they would have been promoting tune-out."

Another problem would have been coordinating the airtime for the show, since the length of the first half of a football game can be unpredictable. The source said Pepsi also bought time during the third quarter of the game, creating a huge risk for a competing halftime show.

"If you've already spent $800,000 for each 30-second spot in the third quarter—let's say the game is a blowout and you've encouraged people to tune out during the half—you really run a risk of screwing up your investment," the source said. "If Pepsi had done it, it would have had only more public relations value than anything."

Pepsi's agency is BBDO Worldwide. [ ]

Jon Lafayette contributed to this story.

HDM

(Continued from Page 4)

is the world's sixth-largest advertising group.

Mr. de Pouzilhac said Eurocom wants to increase the number of international clients using the network in the U.S. and Europe. Currently 55% of Eurocom's billings come from France.

Eurocom will also be looking to acquire a New York agency, which could put it in direct competition with its former partners at HDM.

Agencies that Eurocom and the Dentsu-Y&R joint venture are likely to approach include Ally & Gargano; Rosenfeld, Sirowitz Humphrey & Strauss; and Warwick Baker & Fiore, sources say.

Eurocom has no plans to enter Japan, where the French group is unlikely to be welcomed after offending Dentsu.

Mr. de Pouzilhac said the breakup with Y&R and Dentsu, engineered by Eurocom on the grounds that U.S. partner Y&R failed to provide clients for the network, won't cost him much business.

"In five years, not one single American budget came from the U.S.," he said.

To avoid client conflict, Eurocom will continue to operate HDM and EWDB offices separately in countries such as the U.K., Spain and Italy where the international Peugeot car account conflicts with local EWDB business from Fiat and BMW. Offices in markets with more compatible client lists will merge.

"We have a few conflicts between international and local budgets," Mr. de Pouzilhac said. "In certain countries we now have a second agency, and because this is a local conflict we will separate the accounts between two different agencies. When we do not have two agencies, the priority will be with the international client ... meaning, clearly, that Eurocom Advertising will be working with Peugeot, with BSN, with L'Oreal in all the countries of the world."

Jacques Puzenap, Peugeot's international marketing director, said, "We are aware that our competitors use EWDB agencies elsewhere in Europe for local campaigns. But unless they decide to merge these in with HDM, or develop an international campaign, I don't see any problem. Should this arise, of course, Eurocom would have a choice to make."

A source close to Fiat agreed separate Eurocom agencies don't pose a conflict problem.

However, Mr. de Pouzilhac said one of his priorities is to tone down Eurocom's French aspect.

Jean de Yturbe, who ran HDM for three years and is now ceo of EWDB, will be appointed ceo of Eurocom Advertising. Jerry Della Femina, chairman-ceo of Della Femina McNamee, New York, and Robin Wight, chairman of WCRS in London, will add the titles of vice chairmen of the new network. A number of VP positions will also be created and filled by the heads of some of the main Eurocom agencies to further diversify Eurocom's management.

Four of Eurocom's five largest clients—Peugeot, L'Oreal, Group BSN and Chanel—are French. The fifth, Henkel, is German. [ ]

Contributing to this story: Jon Lafayette, Michelle McCarter and Laurel Wentz.

Retail

(Continued from Page 4)

too many things at once to its consumers, and it's confusing them," said Rick Nelson, a retail analyst with Duff & Phelps. "Penney's is also trying to alter its image with consumers and the timing isn't right."

Penney's overall earnings are expected to decline by about 20% for the year due to continued weakness in same-store sales and greater-than-expected promotions.

"It's not possible to speculate at this point what percentage gains or specific market share losses we'll see this season," Mr. Nelson said.

Conventional upper-middle-market department stores including Bloomingdale's, R.H. Macy & Co., Lord & Taylor, Neiman Marcus Co. and Saks Fifth Avenue are expected to lose some share of overall sales dollars due to the aggressive price cutting of competitors, analysts say.

"All of the upscale department stores are struggling this holiday season because they can't afford to cut prices since they operate on higher margins. Bloomingdale's and Macy's are perfect examples, especially because they rely on full-price purchases during the holiday sales season," Mr. Steidtmann said.

But some observers disagree.

"With all these years of price promoting, one more promotional Christmas isn't going to change much positively or negatively," said Judith Owens, VP-sales promotion/marketing at the National Retail Federation.

"Dayton Hudson Corp., Dillard's and the May Co. won't suffer as much because they target more middle-market audiences and they've got a little more flexibility, but everyone's inventories will be very lean going into 1991," Mr. Steidtmann said.

Dayton Hudson will suffer minimal damage this season "because it's one of the few companies that has both ends of the retail spectrum covered," said Mr. Nelson at Duff & Phelps.

Dayton Hudson's Target "upscale discount" division of 432 stores—which account for half of the company's total revenues—is thriving this season, while it's Mervyn's middle-market apparel division accounts for 30%; its department store division represents only 15% of its total revenues.

"People know where to go to look for values, and Target already has that perception. Across the board, we're emphasizing values and basics in our merchandise," said Ann Barkelew, VP-corporate public relations for Dayton Hudson.

Dillard's Department Stores expects overall sales gains of 20% and same-store sales gains of 10% for the fourth quarter, Mr. Whyte said.

Wal-Mart is expected to report about a 26% increase in overall sales for the fourth quarter ending January. Same-store sales are expected to increase about 7%. [ ]

Alison Fahey and Christy Fisher contributed to this story.

ADREVIEW

1990: A year spent reinforcing old ideas

By Bob Garfield

Garfield

Clip and save.

This is the annual ADREVIEW Year in Review review, 12 solid months of advertising triumphs and disasters, neatly packaged for you, the reader, so that we, the writer, can skate by with a minimum of actual new material and get in the proper frame of mind for the Blockbuster Bowl.

The tendency would be to call 1990 the Year of Super Reinforcement. In the whimsy 'n' death category we had Reebok's Bungee Jumpers: two daredevils plunging from a bridge, attached at the feet to outsize rubber bands. One of them, not shod in Reebok's Pump shoes to super reinforce his ankles, plummets (What a great gag!) to the rocks below.

Then, of course, super reinforced Huggies pushed out the envelope of product description for those diaper consumers incapable of putting No. 2 and No. 2 together. For a while, at least, the ads discussed not "messy leaks," which we guess was too imprecise, but "messy BM leaks," which certainly solved the puzzle for us.

Finally, there was the super reinforcement to end all super reinforcements: Volvo's "monster truck" spot. We were so busy marveling at Volvo's new Industrial I-Beams Surreptitiously Welded Into the Passenger Compartment option, we nearly failed to notice the commercial's elitist slur against the working class: "Apparently not everyone appreciates the strength of a Volvo."

So, yes, 1990 would seem to be TV advertisers' Super Reinforcing Year. But it wasn't. As far as ADREVIEW is concerned, it was a Super Disappointing Year—beginning, naturally, with the Super Bowl.

Hype surrounding the game lately has been matched, if not eclipsed, by the hype surrounding TV spots produced for it. Yet Coca-Cola's big surround-sound blowout—a high-fructose corn syrup version of 1971's "I'd like to buy the world a Coke" mountaintop mawk-a-thon—was the only spot to live up to its billing.

Nike's "Announcers" spot proved that big-name sportscasters, amazingly glib in the heat of play-by-play battle, sound stilted and stiff when reading from a script. Nissan's stunning Turbo Z spot, featuring a space-age high-speed chase, was a reckless celebration of raw power. And even the annual Michael J. Fox spot for Diet Pepsi, this one set in a Wagnerian opera, lacked the comic crispness we've come to expect.

Expectations unfulfilled were to mark the entire year. Oh, the 51 spots that got ratings weren't, cumulatively, any worse than 1989's batch; for what little it's worth, the average rating was 2.62 stars, vs. 2.66 a year ago. But in terms of advertising opportunities exploited to their fullest, this was the year that wasn't.

After a 1989 that gave us both "Bo knows" and the first Energizer bunny, two great chapters in advertising history, 1990 seemed to have endless possibilities. Instead, at times, it seemed like endless drivel: a Barbasol shaving gel spot trading on old unfunny jokes, Snapple Beverages trading on new unfunny jokes, Soviet jeans trading on sickening pseudophilosophy, Calvin Klein jeans trading on sophomoric sexuality and Burger King—in print ads—trading on seamy sanctimony.

Volvo, Chrysler, Ultra Slim-Fast and Saturn Corp. were part of the super year in advertising—super disappointing.

There were bright spots, of course, principally those that were both executionally and strategically inventive: Lee Iacocca's Advantage: Chrysler assault on reverse chauvinism when it comes to American cars; Spike Lee's magnificent visits with idiosyncratic exemplars of Levi's 501 self-expression; SkyTel's vivid, visual metaphors for business warfare; and General Motors' long-awaited mea culpa for the past 20 years of automotive malfeasance.

Ultimately, though, the year was epitomized by two new-product campaigns, both delivering the long-awaited news about potentially revolutionary brands: Simple Pleasures, the fake-fat ice cream, and Saturn, the fake-Japanese car.

These fledgling brands represent the essence of American technological and marketing innovation, sparing no effort to provide what the consumer has said he wants and standing for everything American industry must do to compete in the next century. But the advertising conveys none of that significance, none of that excitement, none of the technological wonder.

The ads were pretty good—say, 2.62 stars apiece—but not good enough. Let's hope that the 1991 campaigns will be better, which is to say: different. The last thing we need in the New Year is last year's lackluster ideas reheated and, like Cristina Ferrare's civil-engineered "slenderizing" get-up in her Ultra Slim-Fast commercial, super reinforced. □

McSubs, pizza

(Continued from Page 3)

Italian sub for $2.59. In-store materials support the test; Laurence, Charles, Free & Lawson, Milwaukee, handles the Madison operators' co-op.

Although several of McDonald's menu tests—such as pizza, fried chicken and pasta—have been aimed at boosting after-4 p.m. business, the McSubs line is available at lunchtime and dinner.

So, too, are new 6-inch "personal" pizzas for lunch being tried in Evansville, Ind., and selected stores in Chicago—a direct swipe at Pizza Hut. Before this test, McDonald's had been selling full-size pizzas in a half-dozen markets, including Evansville and Chicago.

McDonald's says it intends to add lower-price menu items without having to hurt profits through discounting, and individual pizzas help. In Evansville, the mini-pizzas sell for $1.89 to $2.19, compared with $6.25 to $9.99 for full-size pizza; in Chicago, they range from $2.25 to $2.65, compared with $8.49 and up for 12-inch pizzas.

McDonald's individual pizzas are targeted to the Personal Pan Pizzas that are the backbone of Pizza Hut's lunch business. But restaurant industry sources say the PepsiCo chain is preparing a surprise for McDonald's in its own back yard.

Next month, Pizza Hut stores in four Chicago suburbs will be fitted with "video juke boxes" that can entertain customers while they wait for their pizzas.

Depositing a quarter in one of the juke boxes with 6-inch screens—20 of which will be installed in each test store—gives the viewer 5 minutes of viewing on one of five channels.

Program content on the five channels will be cartoons, rock videos, highlights of old TV programs such as "Candid Camera" and "I Love Lucy"; vintage newsreels; and, later, a channel offering commercials.

Sources say the commercial channel, if added later as planned, would feature PepsiCo products such as snacks from Frito-Lay and Pepsi-Cola soft drinks, and, possibly, non-competing products from other companies.

Pizza Hut couldn't be reached for comment on the test.

McDonald's, the largest single restaurant chain, has been battling hard against PepsiCo, the largest restaurant operator, for several years now. McDonald's has looked at Mexican foods, such as the current Breakfast Burrito test, to undercut PepsiCo's Taco Bell; fried chicken to undermine Kentucky Fried Chicken Corp.; and pizza and pasta to combat Pizza Hut.

Pizza Hut has run TV spots gently poking fun at the deficiencies of the initial McDonald's pizza, and KFC earlier this year took a shot at McDonald's with a TV jab at Ronald McDonald and the burger chain's string of in-store promotions and games. □

Hall

(Continued from Page 4)

could produce advertising he liked.

Mr. Bloom, who died in 1983, is considered a pioneer in the use of TV for local retail, an idea once unthinkable for a medium considered the sole domain of national advertisers.

Mr. Bloom's son, Bob, is chairman-ceo of the agency. He called the Hall of Fame honor "a particularly fitting recognition because he had two careers—one long and successful one in the newspaper business, then in something he knew nothing of.

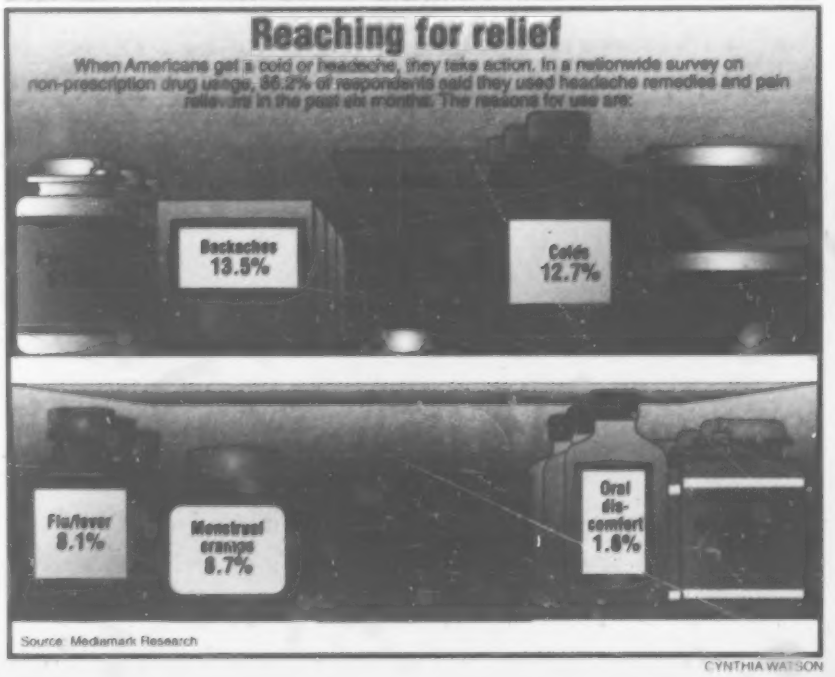
"To reward someone for their entrepreneurial spirit is a very good thing," Mr. Bloom said. "He built his business from what was then the unlikely place of Dallas. I learned two important things from him: that ethics starts at the top, and [to] be very aggressive and deliberate about what you're doing."

Phil Dougherty was considered a consummate scribe of the ad industry for more than two decades, both praising and criticizing the industry he wrote about. A native of the Bronx, Mr. Dougherty joined the *Times* in 1942, working as a copy boy, clerk, and society and metro reporter before penning his first ad column on Oct. 3, 1966.

During the 22 years he wrote the daily advertising news column, Mr. Dougherty became one of the industry's most well-known figures and, by dint of his personality, an all-time favorite. He was known for his sparkling, quick wit; his stylish, clear writing; his doggedness in pursuing news stories; and his outbursts of impatience—or irascibility (often premeditated), usually directed at overbearing executives or public relations people who he felt had fallen short of his high journalistic standards.

At industry conventions and meetings, Mr. Dougherty would be very much in evidence (usually in a green jacket and wild, multicolored slacks), chatting, jotting notes, moving from one cluster of executives to another as he gathered material for his column and his morning radio show on WQXR. He died in 1988. □

DATAWATCH


Reaching for relief
When Americans get a cold or headache, they take action. In a nationwide survey on non-prescription drug usage, 86.2% of respondents said they used headache remedies and pain relievers in the past six months. The reasons for use are:
Backaches 13.5%
Colds 12.7%
Flu/fever 8.1%
Menstrual cramps 8.7%
Oral discomfort 1.6%
Source: Mediamark Research

CYNTHIA WATSON

NOTE

ONLY THE FOLLOWING PAGES OF THIS

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NEWSPAPER

Advertising Age

December 24, 1990

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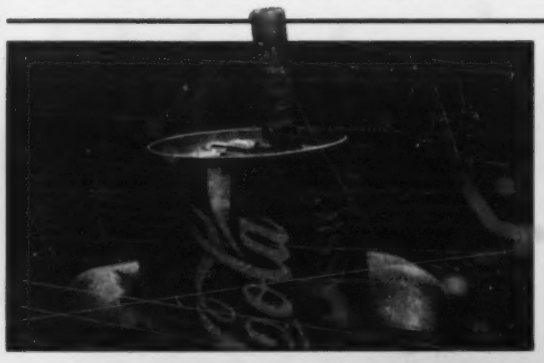
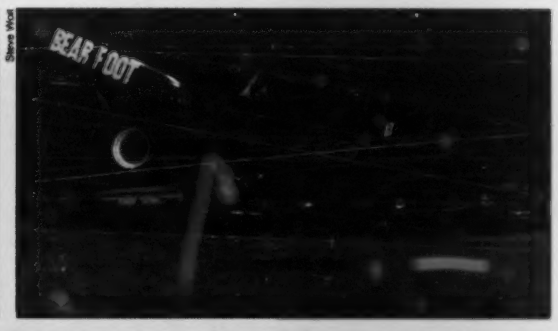
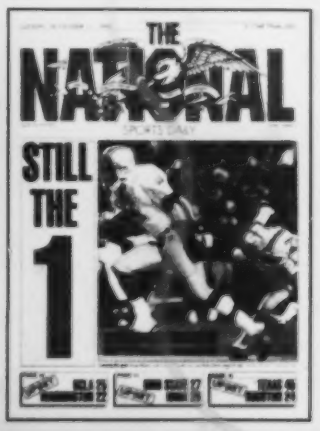


Steve Wisz





NEWS MAKERS 1990

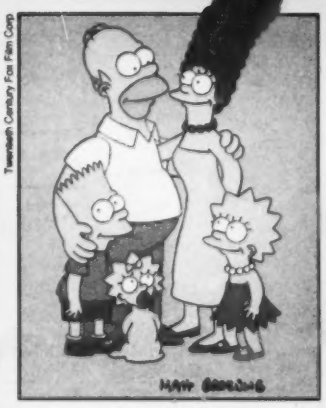
The people, products and events in marketing that made headlines — and what to watch for in 1991.

Richard Foreman-ABC

Doug Goodman

Kelvin Jones

Twentieth Century Fox Film Corp



Michael A. Mercotte

Burger King cuts price P. 2 ▪ **GM unit halts 1st-quarter ads** P. 2 ▪ **Chiat wins two accounts** P. 26

Scali taps Fallon to bolster agency after Volvo fiasco

By Gary Levin

NEW YORK—Scali, McCabe, Sloves has reinforced its management lineup one month after the Volvo ad scandal and a string of account losses.

Patrick Fallon last week became vice chairman of SMS North America, while still remaining chairman of Fallon McElligott. SMS is the holding company for

Steve Wall

P. Fallon M. Sloves

Scali's Canadian offices and flagship New York office. Minneapolis-based Fallon and the Martin Agency in Richmond, Va.

Mr. Fallon said his main task will be to help bolster the beleaguered Scali and restore client confidence in the agency.

In separate developments, Dean Stefanides and Larry Hampel, the senior VP-group creative directors responsible for the Volvo "monster truck"-crushing spot, have left Scali and will join Chiat/Day/Mojo as creative group heads.

In addition, Scali's vice chairman and New York creative director, Robert Levenson, 61, is retiring after three years at the agency. A successor will be chosen by Mr. Fallon and Sam Scali, the agency's president.

Messrs. Stefanides and Hampel supervised all Volvo Cars of North America's advertising, handled by Scali since the agency's founding in 1967. Scali resigned the $40 million account under pressure last month after it was learned the "monster truck" spot had been rigged.

Scali Chairman-CEO Marvin Sloves claimed the agency didn't ask for the team's resignations.

He said an investigation by the agency's law firm has found no evidence that anyone from Scali tampered with the cars used in the ads or gave anyone else permission to do so.

Independent investigations by Volvo and the Federal Trade Commission are continuing.

The agency is struggling to weather controversy over the rigged Volvo ads and to overcome a major account losing streak.

A long-planned majority buyback from London-based WPP Group has been stalled by lack of financing, and agency executives say the recent losing streak and Volvo mess don't make things any easier.

Mr. Sloves said he will now devote his energies to completing the buyback and overseeing Scali's international offices, leaving the flagship office in Mr. Fallon's hands.

"He will obviously continue being in charge of Fallon [McElligott], and he will have complete authority over New York," Mr. Sloves said.

Mr. Fallon, 48, said he's aware

(Continued on Page 25)

Burger King backs low-price Buddies

New year to bring fast-food price fight

By Scott Hume

Burger King Corp. is poised to set a fast marketing pace in January, and other top fast-food chains are expected to follow suit.

The No. 2 burger chain on Jan. 2 will launch a promotion for Burger Buddies that slashes the price of two 1-ounce cheeseburgers to 29¢ with purchase of fries and a soft drink. The current suggested price is 89¢.

The move not only gives Burger King the opportunity to promote a product its competitors don't have, but it also gives the company a product priced below any discount levels offered by rivals. Burger Buddies are also targeted at both adults and children; the price of its Burger Buddies Kids Club meal will also be cut 60¢.

McDonald's Corp. intends to implement a "value pricing" menu in 1991 that could include price reductions on selected items. In many markets, McDonald's has already chopped the prices of its regular hamburger and cheeseburger to 59¢ and 69¢, respectively, about a 20¢ reduction in price.

Both chains are seeking to take sales from PepsiCo's Taco Bell chain and its Value Menu, which prices almost all items at 59¢, 79¢ or 99¢, coupled with occasional discounts of selected items to 49¢.

But the sticking point to other chains' desire to match Taco Bell's low-price strategy has been fear of depressing operators' profits with heavy discounting.

In a memo outlining the Burger Buddies promotion for operators, obtained by *Advertising Age*, Burger King says the promotion's prime selling point is that it "is low-priced so as to be competitive."

Burger King has covered the profitability problem by requiring purchase of any size french fries and any size soft drink—two high-profit items—to get the Burger Buddies discount.

Burger King's memo tells operators the fries/drink/Burger Buddies meal will have an average offer price of $1.71 and food cost of 66¢, yielding a 61.4% profit of $1.05 *(see chart)*.

A 30-second network TV spot, via D'Arcy Masius Benton & Bowles, New York, will support the Burger Buddies promotion from Jan. 2 through Jan. 12.

The spot carries the "Some-

(Continued on Page 25)

How Burger King can still make money on "value pricing"

Value price of three items	
Consumer cost	$1.71
Burger King cost	–.66
Total profit	1.05

* For two
** Ad Age estimated average for small sizes.
Source: Burger King

Graphic by John Hall

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Advertising Age will not publish on December 31. Next issue: January 7

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ABP MPA ABC

GM group slashes ads

Early '91 cuts may be bad sign for other units

By Raymond Serafin

General Motors Corp.'s automotive components group has suspended almost all first-quarter 1991 advertising as part of a fiscal belt-tightening that could portend cuts in spending for the company's car and truck divisions.

The automotive components group consists of nine divisions that supply parts and systems to GM and other vehicle manufacturers. The divisions combined spend an estimated $15 million on advertising annually, almost all in trade publications.

Sources within GM and in the media say the component divisions are suspending advertising through March 31, except for media buys that can't be canceled. The divisions are also cutting back on training and travel expenses during the first quarter.

"The divisions have been asked to curtail any discretionary spending during the first part of the year," a spokesman for the automotive components group confirmed. He added that current commitments would be kept.

Agencies that handle GM's vehicle divisions, which spent the lion's share of the company's $1.4 billion ad budget this year, haven't yet been given 1991 budgets.

Some GM agency executives had been told earlier that 1991 ad cuts could total as much as $200 million. But there has been discussion more recently that GM will budget only for the first quarter instead of for the entire year because of the current general economic uncertainty and the possibility of military action in the Persian Gulf in early 1991.

"Nobody is looking forward to the first quarter. Right now, the public is being very cautious about taking on long-term commitments, and GM is doing the same thing."

"We're still waiting to hear," said Richard O'Connor, chairman-ceo of Lintas:Campbell-Ewald, Warren, Mich., agency for Chevrolet. Mr. O'Connor said GM is "concerned about the market softening, but the corporation thinks things will turn [for the better] somewhere near midyear."

So far, agencies are making whatever buys are authorized by GM, and the company's past policy has been to honor any existing contracts even if budgets are cut.

"Nobody is looking forward to the first quarter," said one agency executive, who asked not to be identified. "Right now, the public is being very cautious about taking on long-term commitments, and GM is doing the same thing."

GM Chairman Robert Stempel said earlier this month his company is making its 1991 business plans on projections that industrywide sales of cars and trucks will be only 13.5 million units in 1991, about a 5% decline from a lackluster 1990.

"Calling the market at this point is very uncertain," said Mr. Stempel, who added there's "lots of upside potential" if the Middle East crisis is settled peacefully.

Divisions in GM's automotive components group, and their agencies, are AC Rochester, Delco Moraine NDH, Delco Products and Delco Remy, all handled by Lintas:Campbell-Ewald; Central Foundry, by Scott & Miller Group, Saginaw; Harrison Radiator, by Leo Burnett USA, Southfield; Inland Fisher Guide, no agency; Packard Electric, by Mis-

(Continued on Page 25)

Advertising Age's annual rankings

Who was on top in media, marketing, agencies and research companies

Top direct response agencies

Rank '89	Rank '88	Agency, headquarters	Direct response billings 1989	1988	% chg
1	1	**Ogilvy & Mather Direct**, New York	$304,980	$272,000	12.1
2	2	**Wunderman Worldwide**, New York	262,391	266,100	(1.4)
3	4	**FCB/Direct**, Los Angeles	227,800	200,700	13.5
4	3	**Rapp Collins Marcoa**, Chicago	226,000	236,300	(4.4)
5	5	**Direct Marketing Group**, New York	149,600	152,900	(2.2)
6	6	**Grey Direct International**, New York	119,000	108,000	10.2
7	7	**Kobs & Draft Advertising**, Chicago	116,900	90,215	29.6
8	17	**Lintas:Marketing Communications**, New York	107,522	50,900	111.2
9	8	**Barry Blau & Partners**, Fairfield, Conn.	101,175	85,304	18.6
10	13	**HDM Worldwide Direct**, Los Angeles	92,401	57,094	61.8
11	10	**Devon Direct Marketing & Advertising**, Berwyn, Pa.	82,000	66,200	23.9
12	9	**Bronner Slosberg Associates**, Boston	79,789	68,824	15.9
13	12	**Customer Development Corp.**, Peoria, Ill.	68,873	58,096	18.6
14	22	**Kresser, Craig/D.I.K.**, Santa Monica, Calif.	66,249	42,638	55.4
15	19	**DMCA Direct**, Bridgetown, Mo.	61,345	47,085	30.3
16	14	**Lowe Direct**, New York	55,000	55,000	0.0
17	11	**Saatchi & Saatchi Direct**, Rochester, N.Y.	54,911	59,148	(7.2)
18	18	**Lally, McFarland & Pantello**, New York	54,400	50,400	7.9
19	16	**Chapman Direct Advertising**, New York	48,198	51,650	(6.7)
20	23	**Ayer Direct**, New York	48,000	40,086	19.7
21	26	**Saugatuck/FKB**, Westport, Conn.	47,676	36,591	30.3
22	24	**GSP Marketing Services**, Chicago	43,448	39,400	10.3
23	20	**McCann Direct**, New York	40,000	46,000	(13.0)
24	29	**Walter Latham Co.**, Broadview, Ill.	39,000	33,000	18.2
25	30	**Hill, Holliday, Connors, Cosmopulos**, Boston	35,945	28,805	24.8
26	25	**Ross Roy Group**, Bloomfield Hills, Mich.	35,291	36,632	(3.7)
27	21	**McCaffrey & McCall Direct Marketing**, New York	35,000	43,000	(18.6)
28	67	**Perkins/Butler Direct Marketing**, New York	35,000	7,000	400.0
29	31	**Earle Palmer Brown Direct**, Bethesda, Md.	30,183	25,200	19.8
30	36	**Manus Services Corp.**, Seattle	29,888	22,981	30.1
31	45	**Stenrich Group**, Glen Allen, Va.	29,021	16,659	74.2
32	37	**Steinert & Associates**, New York	27,500	21,277	29.2
33	27	**Della Femina, McNamee**, New York	27,465	35,265	(22.1)
34	32	**DMB&B Direct**, New York	25,773	24,598	4.8
35	33	**Lawrence Butner Advertising**, New York	25,240	24,338	3.7
36	28	**Bozell Direct**, New York	23,300	34,100	(31.7)
37	42	**Brierley & Partners**, Dallas	23,181	17,925	29.3
38	54	**Nash Direct**, New York	21,003	12,042	74.4
39	38	**Advertising Works**, Honolulu	21,000	20,000	5.0
40	55	**Clarion Marketing & Communications**, Greenwich, Conn.	20,707	11,959	73.2
41	34	**Kallir, Philips, Ross**, New York	20,183	23,212	(13.0)
42	47	**Fox MMJM Direct**, New York	20,071	15,007	33.8
43	49	**Jack Levy & Associates**, Chicago	19,871	14,236	39.6
44	44	**Robert A. Becker**, New York	19,500	16,969	14.9
45	40	**Admarketing**, Los Angeles	19,300	18,800	2.7
46	35	**Intergroup Marketing & Promotions**, Bloomfield Hills, Mich.	19,202	23,035	(16.6)
47	43	**Sandven & Associates**, Overland Park, Kan.	18,679	17,775	5.1
48	52	**Wilson Sculley Associates**, St. Louis	18,336	12,511	46.6
49	72	**Williams Television Time**, Santa Monica, Calif.	18,220	5,808	213.7
50	51	**Frank J. Corbett Inc.**, Chicago	18,000	12,900	39.5
51	41	**Cramer-Krasselt/Direct**, Chicago	17,429	18,409	(5.3)
52	39	**Marketing Resources**, Overland Park, Kan.	16,392	19,000	(13.7)
53	46	**Cabot Direct Marketing**, Boston	15,819	15,079	4.9
54	70	**Kern/Mathai Advertising**, Los Angeles	15,750	6,100	158.2
55	50	**McClure & Co.**, Valley Forge, Pa.	15,001	13,406	11.9
56	60	**Martin Marshall Jaccoma Mitchell**, New York	15,000	10,000	50.0
57	56	**Tracy-Locke Direct**, Dallas	14,400	11,400	26.3
58	61	**More Direct**, Minneapolis	13,584	9,034	50.4
59	53	**Hal Langerman Company**, Blue Bell, Pa.	12,656	12,287	3.0
60	48	**Townsend Agency**, Rosemont, Ill.	12,413	14,686	(15.5)
61	NA	**William R. Biggs/Gilmore Associates**, Kalamazoo, Mich.	10,269	NA	NA
62	59	**Gross Townsend Frank Hoffman**, New York	10,000	10,000	0.0
63	NA	**Berenson, Isham & Partners**, Boston	9,967	NA	NA
64	57	**Stone & Simons Advertising**, Southfield, Mich.	9,827	10,972	(10.4)
65	65	**Ad Hoc Marketing Resources**, New York	9,620	7,260	32.5
66	62	**McKee Advertising**, Elk Grove Village, Ill.	9,469	9,023	4.9
67	76	**Deutsch Inc.**, New York	8,828	4,506	95.9
68	58	**Abelson-Taylor**, Chicago	8,761	10,041	(12.7)
69	85	**Ketchum Communications**, Pittsburgh	8,678	4,162	108.5
70	66	**Lortz Direct Marketing**, Omaha	8,651	7,084	22.1
71	98	**W.B. Doner & Co.**, Southfield, Mich.	8,189	3,040	169.3
72	64	**Kiemtner Advertising**, New York	7,900	7,900	0.0
73	90	**Messner Vetere Berger Carey Schmetterer**, New York	7,500	3,800	97.4
74	142	**Wyse Direct**, Cleveland	7,150	500	1,330.0
75	87	**Lave & Associates Marketing**, Indianapolis	6,690	3,916	70.8
76	68	**AC&R Direct Marketing**, New York	6,646	6,549	1.5
77	69	**Modular Direct Promo Group**, New York	6,595	6,219	6.0
78	71	**Smith Lask Associates**, Chicago	6,413	5,965	7.5
79	75	**Fletcher, Gampper & Wirth**, Kansas City, Mo.	6,411	4,881	31.3
80	135	**Creswell, Munsell, Fultz & Zirbel**, Cedar Rapids, Iowa	6,338	732	765.6
81	84	**Direct Marketing Network**, New York	5,887	4,214	39.7
82	100	**Carmichael Lynch**, Minneapolis	5,770	2,708	113.1
83	80	**Ronald James Direct**, Englewood, Colo.	5,519	4,336	27.3
84	83	**Girgenti, Hughes, Butler & McDowell**, New York	5,030	4,250	18.4
85	82	**Pihas, Schmidt, Westerdahl Co.**, Portland, Ore.	5,028	4,289	17.2
86	77	**Ally & Gargano**, New York	5,000	4,500	11.1
87	78	**William Douglas McAdams Inc.**, New York	5,000	4,500	11.1
88	73	**Sheldon Fredericks Advertising**, Stamford, Conn.	4,988	5,373	(7.2)
89	79	**Medicus Intercon International**, New York	4,831	4,379	10.3
90	86	**Creative Direct Marketing Group**, Torrance, Calif.	4,613	4,159	10.9

Notes: Dollars are in thousands. This table is an updated version from the Direct Response Report (AA, May 21).

Top U.S. research companies

Rank '89	Rank '88	Company, headquarters	Gross U.S. research revenues 1989	1988	% chg
1	1	**A.C. Nielsen Co.**, Northbrook, Ill.	$426.0	$387.0	10.1
2	2	**Arbitron Co.**, New York	290.0	320.0	(9.4)
3	3	**IMS International**, New York	181.0	164.0	10.4
4	4	**Information Resources Inc.**, Chicago	113.8	99.3	14.6
5	5	**Westat**, Rockville, Md.	65.9	64.5	2.2
6	6	**M/A/R/C**, Irving, Texas	53.2	51.1	4.1
7	7	**Maritz Marketing Research**, Fenton, Mo.	46.1	40.6	13.5
8	10	**MRB Group**, New York	44.6	36.8	21.4
9	8	**NFO Research**, Greenwich, Conn.	42.0	39.9	5.3
10	9	**Market Facts**, Chicago	39.0	37.8	3.1
11	12	**Elrick & Lavidge**, New York	38.0	31.5	20.6
12	11	**NPD Group**, Port Washington, N.Y.	34.7	34.5	0.6
13	13	**Burke Marketing Research**, Cincinnati	27.1	28.6	(5.2)
14	16	**Walker Research**, Indianapolis	26.5	21.5	22.8
15	14	**Chilton Research Services**, Radnor, Pa.	21.8	23.7	(8.0)
16	17	**Starch INRA Hooper**, Mamaroneck, N.Y.	20.5	19.0	7.9
17	15	**Research International**, London	19.8	21.3	(7.1)
18	20	**ASI Market Research**, New York	17.4	14.7	18.4
19	19	**Decision Research Corp.**, Lexington, Mass.	15.9	14.9	6.7
20	24	**National Research Group**, Los Angeles	15.3	12.1	26.4
21	23	**Mediamark Research**, New York	15.2	13.0	17.3
22	22	**Birch/Scarborough Research**, Coral Springs, Fla.	14.2	13.2	7.6
23	21	**Harte-Hanks Marketing Services**, River Edge, N.J.	13.5	13.4	0.7
24	18	**National Analysts**, Philadelphia	13.4	15.3	(12.5)
25	26	**Custom Research**, Minneapolis	12.9	10.8	19.7
26	30	**Millward Brown**, Naperville, Ill.	11.7	9.0	30.4
27	29	**J.D. Power & Associates**, Agoura Hills, Calif.	11.5	9.6	19.8
28	27	**Data Development Corp.**, New York	10.6	10.4	1.9
29	31	**Lieberman Research West**, Los Angeles	9.8	8.9	9.7
30	28	**Wirthlin Group**, McLean, Va.	9.5	9.7	(1.7)
31	25	**Market Opinion Research**, Detroit	8.5	11.4	(25.3)
32	33	**Guideline Research Corp.**, New York	8.5	8.2	3.7
33	34	**Total Research Corp.**, Princeton, N.J.	8.3	7.5	11.6
34	36	**Conway/Milliken & Associates**, Chicago	8.1	6.8	18.2
35	32	**Louis Harris & Associates**, New York	7.8	8.3	(6.0)
36	35	**McCollum/Spielman Worldwide**, Great Neck, N.Y.	7.3	7.2	1.4
37	38	**Newman-Stein**, New York	6.8	6.3	7.9
38	39	**Marketing Research Services**, Cincinnati	6.7	6.1	9.8
39	40	**Vanderveer Group**, Fort Washington, Pa.	6.6	6.1	9.2
40	37	**CLT Research Associates**, New York	6.6	6.5	1.5
41	41	**Response Analysis Corp.**, Princeton, N.J.	6.4	6.0	6.6
42	42	**Field Research Corp.**, San Francisco	6.3	5.2	21.4
43	44	**Marketeam/Doane Marketing Research**, St. Louis	5.2	5.0	4.2
44	43	**AHF Marketing Research**, New York	5.1	5.0	0.6
45	45	**Oxtoby-Smith**, New York	5.0	5.0	0.0

Notes: Dollars are in millions. Figures are AA estimates. This table is an updated version from Research Business Report (AA, June 11).

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Compiled by: Kenneth Wyse AA chart: Kevin Brown

Top 100 agencies worldwide by gross income

Rank	Agency, headquarters	Worldwide gross income			Worldwide billings			U.S. gross income			U.S. billings		
		1989	1988	% chg	1989	1988	% chg	1989	1988	% chg	1989	1988	% chg
1	**Dentsu**, Tokyo	$1,316.4	$1,176.2	11.9	$10,063.2	$8,939.3	12.6	NA	NA	NA	NA	NA	NA
2	**Saatchi & Saatchi Advertising Worldwide**, New York	890.0	740.5	20.2	6,049.9	5,053.9	19.7	$395.2	$326.3	21.1	$2,778.9	$2,209.6	25.8
3	**Young & Rubicam**, New York	865.4	757.6	14.2	6,250.5	5,390.3	16.0	409.5	372.8	9.9	3,114.8	2,791.8	11.6
4	**Backer Spielvogel Bates Worldwide**, New York	759.8	689.8	10.2	5,143.2	4,677.9	9.9	310.7	282.7	9.9	2,158.0	1,964.2	9.9
5	**McCann-Erickson Worldwide**, New York	715.5	656.8	8.9	4,772.3	4,381.0	8.9	209.1	197.0	6.1	1,394.8	1,314.0	6.1
6	**Ogilvy & Mather Worldwide**, New York	699.7	635.2	10.1	4,828.0	4,110.1	17.5	305.1	281.1	8.6	2,104.4	1,874.9	12.2
7	**BBDO Worldwide**, New York	656.6	585.9	12.1	4,550.0	4,051.2	12.3	373.6	340.5	9.7	2,656.0	2,414.3	10.0
8	**J. Walter Thompson Co.**, New York	626.4	559.3	12.0	4,407.5	3,857.5	14.3	266.5	257.5	3.5	1,851.0	1,787.9	3.5
9	**Lintas:Worldwide**, New York	593.3	537.6	10.4	3,957.6	3,585.6	10.4	224.9	201.7	11.5	1,499.9	1,345.4	11.5
10	**Hakuhodo**, Tokyo	585.5	522.2	12.1	4,449.2	3,939.1	12.9	NA	NA	NA	NA	NA	NA
11	**DDB Needham Worldwide**, New York	552.9	399.9	38.2	4,095.4	3,020.3	35.6	302.9	244.4	24.0	2,386.3	1,929.3	23.7
12	**Foote, Cone & Belding Communications**, Chicago*	510.9	483.9	5.6	3,413.9	3,242.5	5.3	280.5	273.7	2.5	1,871.2	1,825.8	2.5
13	**Grey Advertising**, New York	498.9	432.8	15.3	3,267.4	2,886.5	13.2	240.7	227.9	5.6	1,605.3	1,520.3	5.6
14	**Leo Burnett Co.**, Chicago	483.8	428.4	12.9	3,245.5	2,865.1	13.3	288.8	263.4	9.6	1,945.3	1,765.0	10.2
15	**D'Arcy Masius Benton & Bowles**, New York	471.5	428.7	10.0	3,803.1	3,360.8	13.2	232.3	209.6	10.8	2,055.3	1,794.2	14.6
16	**EWDB Worldwide**, Paris	381.0	NA	NA	2,702.3	NA	NA	82.4	NA	NA	684.0	NA	NA
17	**Publicis-FCB Communications B.V.**, Paris **(49% FCB)**	358.8	337.0	6.5	2,405.4	2,278.6	5.6	4.3	2.7	61.0	31.7	19.0	66.8
18	**N W Ayer**, New York	210.5	185.2	13.6	1,398.2	1,347.7	3.7	128.8	127.8	0.8	859.1	946.7	(9.3)
19	**Bozell**, New York	190.7	179.2	6.4	1,400.0	1,283.0	9.1	155.4	150.3	3.4	1,165.0	1,090.0	6.9
20	**RSCG**, Paris	175.3	151.6	15.7	1,234.3	1,128.2	9.4	27.3	18.2	49.6	216.8	151.9	42.7
21	**Tokyu Agency**, Tokyo	156.2	134.6	16.0	1,259.4	1,115.2	12.9	NA	NA	NA	NA	NA	NA
22	**Dai-Ichi Kikaku**, Tokyo	[illegible]	141.9	9.8	1,053.0	977.7	7.7	NA	NA	NA	NA	NA	NA
23	**Daiko Advertising**, Osaka, Japan	[illegible]	139.7	8.9	1,214.1	1,126.7	7.8	NA	NA	NA	NA	NA	NA
24	**Chiat/Day/Mojo**, Venice, Calif.	150.0	110.0	36.4	1,060.0	838.0	26.5	106.0	77.0	37.7	785.0	603.5	30.1
25	**Lowe International**, London*	137.8	NA	NA	918.6	NA	NA	42.0	NA	NA	279.9	NA	NA
26	**Wells, Rich, Greene**, New York*	132.5	125.1	5.9	885.0	835.9	5.9	132.5	125.1	5.9	883.0	833.9	5.9
27	**Scali, McCabe, Sloves**, New York	127.0	107.0	18.7	870.1	770.6	12.9	79.0	71.8	9.9	590.3	559.7	5.5
28	**TBWA Advertising**, New York	123.7	97.4	27.0	827.0	671.9	23.1	33.2	23.1	43.8	221.6	154.1	43.8
29	**Ketchum Communications**, Pittsburgh	117.8	109.9	7.1	915.7	776.0	18.0	112.9	102.1	10.6	854.9	726.0	17.7
30	**Asatsu**, Tokyo	113.9	102.7	10.8	837.3	740.4	13.1	NA	NA	NA	NA	NA	NA
31	**Yomiko Advertising**, Tokyo	100.3	90.0	11.5	753.5	660.3	14.1	NA	NA	NA	NA	NA	NA
32	**Ross Roy Group**, Bloomfield Hills, Mich.	97.7	85.2	14.6	651.1	568.1	14.6	97.7	85.2	14.6	651.1	568.1	14.6
33	**I&S Corp.**, Tokyo	94.7	83.2	13.9	770.2	692.9	11.2	NA	NA	NA	NA	NA	NA
34	**MPM Propaganda**, Sao Paulo	83.9	NA	NA	220.7	NA	NA	NA	NA	NA	NA	NA	NA
35	**Asahi Advertising**, Tokyo	82.9	70.7	17.3	509.4	440.3	15.7	NA	NA	NA	NA	NA	NA
36	**BDDP**, Paris	79.2	69.3	14.2	527.9	462.5	14.2	NA	NA	NA	NA	NA	NA
37	**Cheil Communications**, Seoul	64.0	44.7	43.1	247.5	194.1	27.5	NA	NA	NA	NA	NA	NA
38	**Nihon Keizaisha Advertising**, Tokyo	56.3	47.1	19.6	337.3	283.0	19.2	NA	NA	NA	NA	NA	NA
39	**W.B. Doner & Co.**, Southfield, Mich.	52.1	41.9	24.4	381.0	303.3	25.6	44.2	37.0	19.4	309.0	268.7	15.0
40	**Clemenger/BBDO**, Melbourne **(46.46% BBDO)**	52.0	43.1	20.8	325.1	269.2	20.8	NA	NA	NA	NA	NA	NA
41	**Hill, Holliday, Connors, Cosmopulos**, Boston	51.6	50.2	2.7	344.0	335.0	2.7	43.9	43.1	2.0	293.1	287.4	2.0
42	**Chuo Senko Advertising**, Tokyo	50.6	47.0	7.6	376.4	345.8	8.9	NA	NA	NA	NA	NA	NA
43	**Armando Testa Group Worldwide**, Milan	50.2	47.7	5.2	349.4	323.4	8.1	NA	NA	NA	NA	NA	NA
44	**Sogei Co.**, Tokyo	49.2	39.2	25.7	300.2	263.0	14.2	NA	NA	NA	NA	NA	NA
45	**Orikomi Advertising**, Tokyo	47.5	40.8	16.3	435.8	419.9	3.8	NA	NA	NA	NA	NA	NA
46	**Oricom**, Seoul	45.1	32.5	38.8	173.0	137.0	26.3	NA	NA	NA	NA	NA	NA
47	**Admarketing**, Los Angeles	44.9	40.4	11.1	252.0	224.5	12.2	44.9	40.4	11.1	252.0	224.5	12.2
48	**FCA! Group**, Paris	42.3	NA	NA	281.7	NA	NA	NA	NA	NA	NA	NA	NA
49	**Man-Nen-Sha**, Osaka	42.2	36.4	15.9	550.4	492.9	11.7	NA	NA	NA	NA	NA	NA
50	**Telephone Marketing Programs**, New York	40.5	31.4	29.1	270.0	209.2	29.1	37.8	29.6	27.9	252.1	197.1	27.9
51	**Earle Palmer Brown Cos.**, Bethesda, Md.	40.1	36.2	10.8	310.5	271.1	14.5	40.1	36.2	10.8	310.5	271.1	14.5
52	**Collett Dickenson Pearce**, London	39.1	31.9	22.5	269.6	216.1	24.7	NA	NA	NA	NA	NA	NA
53	**Jordan, McGrath, Case & Taylor**, New York	38.5	38.5	0.0	315.0	300.0	5.0	38.5	38.5	0.0	315.0	300.0	5.0
54	**Almap/BBDO**, Sao Paulo **(19.9% BBDO)**	38.0	NA	NA	144.1	NA	NA	NA	NA	NA	NA	NA	NA
55	**Nihon Keizai**, Tokyo	37.2	29.6	25.6	254.8	211.5	20.5	NA	NA	NA	NA	NA	NA
56	**Levine, Huntley, Schmidt & Beaver**, New York	37.1	32.1	15.7	250.3	216.4	15.7	37.1	32.1	15.7	250.3	216.4	15.7
57	**Ally & Gargano**, New York	37.0	34.4	7.6	316.0	295.2	7.0	37.0	34.4	7.6	316.0	295.2	7.0
58	**Kyodo Advertising**, Tokyo	35.3	35.4	(0.1)	265.6	270.0	(1.6)	NA	NA	NA	NA	NA	NA
59	**Tokyu Agency International**, Tokyo **(24.5% DMB&B)**	34.9	30.3	15.0	272.4	233.5	16.7	NA	NA	NA	NA	NA	NA
60	**Laurence, Charles, Free & Lawson**, New York	34.6	41.5	(16.5)	275.2	302.0	(8.9)	34.6	41.5	(16.5)	275.2	302.0	(8.9)
61	**Duailibi Petit Zaragoza Propaganda**, Sao Paulo	34.6	NA	NA	139.6	NA	NA	NA	NA	NA	NA	NA	NA
62	**Hal Riney & Partners**, San Francisco*	33.8	23.0	46.7	225.0	200.0	12.5	33.8	23.0	46.7	225.0	200.0	12.5
63	**Meitsu**, Tokyo	32.0	31.0	3.2	213.1	193.5	10.1	NA	NA	NA	NA	NA	NA
64	**Nationwide Advertising Service**, Cleveland*	31.0	27.8	11.5	206.8	185.4	11.5	31.0	27.8	11.5	206.8	185.4	11.5
65	**Sanko-sha**, Tokyo	28.9	26.4	9.5	190.6	174.1	9.5	NA	NA	NA	NA	NA	NA
66	**Cossette Communications-Marketing**, Toronto	28.3	21.0	34.5	180.7	136.6	32.2	NA	NA	NA	NA	NA	NA
67	**Italia/BBDO**, Milan **(40% BBDO)**	27.7	25.4	8.9	184.2	169.4	8.7	NA	NA	NA	NA	NA	NA
68	**Abbott Mead Vickers, SMS**, London	25.8	23.6	8.9	194.4	177.6	9.4	NA	NA	NA	NA	NA	NA
69	**Direct Marketing Group**, New York	25.7	26.1	(1.5)	149.6	152.9	(2.2)	25.7	26.1	(1.5)	149.6	152.9	(2.2)
70	**Warwick Baker & Fiore**, New York	25.5	24.0	6.3	170.0	160.0	6.3	25.5	24.0	6.3	170.0	160.0	6.3
71	**Gold Greenlees Trott**, London	24.4	22.1	10.4	164.4	142.6	15.3	NA	NA	NA	NA	NA	NA
72	**Norton Publicidade**, Sao Paulo	24.2	NA	NA	96.8	NA	NA	NA	NA	NA	NA	NA	NA
73	**L.G. Ad**, Seoul	24.1	19.0	26.6	160.7	126.9	26.6	NA	NA	NA	NA	NA	NA
74	**Evans Communications**, Salt Lake City	24.0	22.1	8.5	160.0	147.5	8.5	24.0	22.1	8.5	160.0	147.5	8.5
75	**Allen Brady & Marsh**, London*	23.8	22.5	5.7	158.4	149.9	5.7	NA	NA	NA	NA	NA	NA
76	**Dailey & Associates**, Los Angeles	23.3	19.6	18.4	155.2	131.0	18.4	23.3	19.6	18.4	155.2	131.0	18.4
77	**Austin Knight**, London*	23.0	19.1	20.4	153.6	127.6	20.4	NA	NA	NA	NA	NA	NA
78	**McKim Advertising**, Toronto	22.6	22.1	2.7	151.1	147.2	2.6	NA	NA	NA	NA	NA	NA
79	**Griffin Bacal**, New York	22.4	20.0	12.0	176.2	155.8	13.1	20.7	18.4	12.3	162.7	143.9	13.1
80	**Salles/Inter-Americana**, Sao Paulo	22.0	NA	NA	109.9	NA	NA	NA	NA	NA	NA	NA	NA
81	**ARC Advertising**, London*	21.6	13.8	56.3	144.0	92.1	56.3	NA	NA	NA	NA	NA	NA
82	**Bartle Bogle Hegarty**, London	21.4	19.0	12.8	159.2	126.7	25.7	NA	NA	NA	NA	NA	NA
83	**Keller-Crescent Co.**, Evansville, Ind.	21.3	22.0	(3.4)	106.5	110.3	(3.4)	21.3	22.0	(3.4)	106.5	110.3	(3.4)
84	**Yellowhammer Advertising**, London	21.3	17.4	22.4	141.8	115.9	22.4	NA	NA	NA	NA	NA	NA
85	**CFP Alliance**, Paris	21.2	20.3	4.3	141.1	136.1	3.6	NA	NA	NA	NA	NA	NA
86	**Nambokusha**, Tokyo	20.8	15.2	37.2	165.2	117.2	40.9	NA	NA	NA	NA	NA	NA
87	**Neville Jeffress Advertising**, Sydney	20.8	16.6	25.6	138.5	110.7	25.1	NA	NA	NA	NA	NA	NA
88	**Thomas G. Ferguson Associates**, Parsippany, N.J.	20.6	16.9	22.1	120.7	102.1	18.2	20.6	16.9	22.1	120.7	102.1	18.2
89	**GSD&M**, Austin, Texas	20.2	15.3	32.1	150.8	124.1	21.5	20.2	15.3	32.1	150.8	124.1	21.5
90	**Alliance International U.K.**, London	20.1	20.7	(3.1)	133.9	138.2	(3.1)	NA	NA	NA	NA	NA	NA
91	**Bloom Cos.**, Dallas	20.0	22.1	(9.5)	168.2	182.6	(7.9)	20.0	22.1	(9.5)	168.2	182.6	(7.9)
92	**Wyse Advertising**, Cleveland	19.9	15.7	26.5	140.4	105.8	32.8	19.9	15.7	26.5	140.4	105.8	32.8
93	**Geer, DuBois**, New York	19.5	18.0	8.3	130.0	120.0	8.3	19.5	18.0	8.3	130.0	120.0	8.3
94	**Rosenfeld, Sirowitz, Humphrey & Strauss**, New York	19.1	17.4	9.5	127.0	116.0	9.5	19.1	17.4	9.5	127.0	116.0	9.5
95	**Korad Ogilvy & Mather**, Seoul **(30% O&M)**	18.8	14.4	30.8	118.9	90.5	31.4	NA	NA	NA	NA	NA	NA
96	**Richards Group**, Dallas	18.7	15.1	24.3	125.1	101.4	23.4	18.7	15.1	24.3	125.1	101.4	23.4
97	**Osaka Yomiuri Advertising**, Osaka, Japan	18.5	16.2	14.0	142.1	124.6	14.0	NA	NA	NA	NA	NA	NA
98	**Standard Advertising**, Tokyo	18.1	17.7	2.2	146.0	138.4	5.5	NA	NA	NA	NA	NA	NA
99	**Baker Lovick**, Toronto **(49% BBDO)**	17.7	16.3	8.7	118.4	108.9	8.7	NA	NA	NA	NA	NA	NA
100	**Rubin Postaer & Associates**, Los Angeles	17.4	17.5	(0.6)	143.1	128.7	11.2	17.4	17.5	(0.6)	143.1	128.7	11.2

Notes: All figures are U.S. dollars in millions. Percentages and initials in parentheses indicate equity amounts included in other top agencies. * indicates that gross income and/or total volume figures are AA estimates. This table is an updated version from the Agency Income Report (AA, March 26).

100 leading national advertisers by 1989 U.S. ad spending

Rank 1989	Rank 1988	Advertiser, headquarters	Total U.S. ad spending 1989	Total U.S. ad spending 1988*	Total U.S. ad spending % chg	Measured media 1989	Measured media 1988	Worldwide sales 1989	Worldwide sales 1988	Worldwide earnings 1989	Worldwide earnings 1988	U.S. sales 1989	U.S. sales 1988	U.S. sales/ad dollar 1989	U.S. sales/ad dollar 1988
1	1	**Philip Morris Cos.**, New York	$2,072.0	$2,028.4	2.2	$1,124.7	$1,101.0	$44,759.0	$31,742.0	$2,946.0	$2,337.0	$31,233.0	$20,866.0	$15.07	$10.29
2	2	**Procter & Gamble Co.**, Cincinnati	1,779.3	1,655.8	7.5	965.8	898.8	24,081.0	21,398.0	1,602.0	1,206.0	14,962.0	13,312.0	8.41	8.04
3	4	**Sears, Roebuck & Co.**, Chicago	1,432.1	1,031.4	38.8	561.4	404.3	53,794.0	50,251.0	1,509.0	1,454.0	53,794.0	50,251.0	37.56	48.72
4	3	**General Motors Corp.**, Detroit	1,363.8	1,290.6	5.7	999.1	945.5	126,931.9	123,641.6	4,224.3	4,856.3	93,878.4	88,745.1	68.84	68.76
5	5	**Grand Metropolitan**, London	823.3	754.6	9.1	375.1	343.8	15,567.1	10,681.6	863.9	744.1	6,228.2	3,114.6	7.57	4.13
6	9	**PepsiCo**, Purchase, N.Y.	786.1	710.9	10.6	506.4	458.0	15,242.0	12,533.0	901.0	762.0	12,519.4	10,550.6	15.93	14.84
7	8	**McDonald's Corp.**, Oak Brook, Ill.	774.4	728.1	6.4	431.8	406.0	6,142.0	5,566.0	727.0	646.0	3,923.0	3,716.0	5.07	5.10
8	7	**Eastman Kodak Co.**, Rochester, N.Y.	718.8	732.2	(1.8)	235.9	240.3	19,398.0	17,034.0	529.0	1,397.0	10,869.0	10,024.0	15.12	13.69
9	6	**RJR Nabisco**, New York	703.5	740.9	(5.0)	386.3	406.8	12,764.0	12,635.0	2,016.0	1,924.0	NA	NA	NA	NA
10	16	**Kellogg Co.**, Battle Creek, Mich.	611.6	550.1	11.2	428.1	385.1	4,651.7	4,348.8	470.2	480.4	2,940.5	2,766.4	4.81	5.03
11	15	**Nestle SA**, Vevey, Switzerland	608.4	552.8	10.1	311.7	283.2	29,469.9	27,051.0	1,479.8	1,355.0	NA	NA	NA	NA
12	10	**Unilever NV**, London/Rotterdam	604.1	649.1	(6.9)	377.9	406.1	34,434.0	30,980.0	1,687.0	1,510.0	7,426.0	6,189.0	12.29	9.53
13	14	**Ford Motor Co.**, Dearborn, Mich.	602.1	565.2	6.5	460.7	432.4	96,145.9	92,445.6	3,935.0	5,300.2	72,784.0	70,626.0	120.89	124.95
14	11	**Anheuser-Busch Cos.**, St. Louis	591.5	645.9	(8.4)	388.1	423.8	10,283.6	9,705.1	767.2	715.9	NA	NA	NA	NA
15	13	**Warner-Lambert Co.**, Morris Plains, N.J.	585.9	605.6	(3.3)	200.4	207.1	4,195.8	3,908.4	412.7	340.3	2,249.0	2,038.0	3.84	3.37
16	17	**AT&T Co.**, New York	567.7	547.1	3.8	360.2	347.1	36,112.0	35,210.0	2,697.0	(1,669.0)	36,112.0	35,210.0	63.61	64.35
17	18	**Time Warner**, New York	567.5	505.6	12.2	300.7	267.9	10,779.0	9,103.0	(987.0)	(1,137.0)	8,260.0	7,222.0	14.55	14.28
18	12	**K mart Corp.**, Troy, Mich.	561.4	631.7	(11.1)	186.3	209.6	29,533.0	27,301.0	323.0	803.0	29,533.0	27,301.0	52.61	43.22
19	19	**Chrysler Corp.**, Highland Park, Mich.	532.5	476.4	11.8	415.9	372.1	34,922.0	34,148.0	359.0	1,050.0	30,750	30,038	57.75	63.05
20	20	**Johnson & Johnson**, New Brunswick, N.J.	487.1	473.3	2.9	246.6	239.6	9,757.0	9,000.0	1,082.0	974.0	4,881.0	4,576.0	10.02	9.67
21	22	**General Mills**, Minneapolis	471.0	447.8	5.2	355.3	337.8	6,448.3	5,620.6	373.7	315.3	5,796.1	5,071.2	12.31	11.33
22	21	**American Home Products Corp.**, New York	456.1	461.1	(1.1)	257.3	260.1	6,747.0	6,401.5	1,102.2	995.5	4,755.5	4,471.9	10.43	9.70
23	23	**Bristol-Myers Squibb Co.**, New York	451.6	424.2	6.5	235.7	221.4	9,189.0	8,558.0	747.0	1,254.0	6,478.0	6,013.0	14.34	14.18
24	24	**Ralston Purina Co.**, St. Louis	429.5	412.7	4.1	154.6	148.5	6,658.3	5,875.9	422.5	387.8	NA	NA	NA	NA
25	39	**Toyota Motor Corp.**, Toyota City, Japan	417.6	273.0	53.0	292.3	191.1	60,083.9	54,254.0	2,884.3	2,338.0	NA	NA	NA	NA
26	26	**J.C. Penney Co.**, Dallas	407.5	394.8	3.2	158.9	154.0	16,103.0	14,833.0	802.0	807.0	16,103.0	14,833.0	39.51	37.57
27	28	**May Department Stores Co.**, St. Louis	385.7	369.8	4.3	270.0	258.9	9,425.0	8,403.0	515.0	448.0	9,425.0	8,403.0	24.44	22.73
28	27	**Coca-Cola Co.**, Atlanta	385.3	376.7	2.3	229.4	224.3	8,965.8	8,237.8	1,723.8	1,044.7	4,022.2	3,683.6	10.44	9.78
29	32	**Sara Lee Corp.**, Chicago	357.9	324.4	10.3	169.8	153.9	11,600.0	11,700.0	470.3	410.5	NA	NA	NA	NA
30	25	**Quaker Oats Co.**, Chicago	357.8	409.5	(12.6)	179.3	205.2	5,030.6	4,879.4	169.0	203.0	3,610.0	3,629.9	10.09	8.86
31	37	**Sony Corp.**, Tokyo	356.5	275.4	29.4	213.6	165.0	18,343.0	16,261.6	654.8	549.3	5,466.2	4,439.4	15.33	16.12
32	30	**H.J. Heinz Co.**, Pittsburgh	342.3	336.8	1.6	149.2	146.8	6,085.7	5,800.9	504.5	440.2	3,779.9	3,473.3	11.04	10.31
33	34	**Walt Disney Co.**, Burbank, Calif.	338.7	304.5	11.2	178.2	160.2	4,594.3	3,438.2	703.3	522.0	4,594.3	3,438.2	13.57	11.29
34	44	**Dayton Hudson Corp.**, Minneapolis	314.2	240.6	30.6	165.3	126.6	13,644.0	12,204.0	410.0	287.0	13,644.0	12,204.0	43.42	50.72
35	33	**R.H. Macy & Co.**, New York	312.7	310.6	0.7	203.9	202.5	6,974.1	5,729.1	(53.7)	(188.2)	6,974.1	5,729.1	22.30	18.44
36	36	**U.S. Government**, Washington	309.5	294.3	5.2	184.4	175.3	NA	NA	NA	NA	NA	NA	NA	NA
37	46	**Nissan Motor Co.**, Tokyo	300.6	224.9	33.7	237.0	177.3	26,600.0	23,867.0	566.0	424.0	NA	NA	NA	NA
38	43	**Honda Motor Co.**, Tokyo	298.8	243.3	22.8	217.5	177.1	24,385.0	22,084.0	517.0	616.0	NA	NA	NA	NA
39	40	**Campeau Corp.**, Toronto	294.9	260.3	13.3	168.0	148.3	10,439.0	8,668.0	(1,740.0)	(34.0)	10,237.0	8,499.0	34.72	32.65
40	31	**Mars Inc.**, McLean, Va.	293.3	334.5	(12.3)	160.2	182.7	8,000.0	NA	NA	NA	NA	NA	NA	NA
41	35	**Hershey Foods Corp.**, Hershey, Pa.	288.2	294.6	(2.2)	92.5	94.5	2,421.0	2,168.0	171.1	213.9	2,235.7	1,968.6	7.76	6.68
42	42	**American Express Co.**, New York	267.9	247.1	8.4	189.6	174.9	25,047.0	20,895.0	1,157.0	1,038.0	20,617.0	17,040.0	76.95	68.96
43	29	**Colgate-Palmolive Co.**, New York	246.3	351.7	(30.0)	76.2	108.8	5,038.8	4,734.3	280.0	317.8	1,828.0	1,687.2	7.42	4.80
44	38	**General Electric Co.**, Fairfield, Conn.	243.2	274.5	(11.4)	111.1	125.4	54,574.0	50,089.0	3,939.0	3,386.0	48,912.0	46,364.0	201.15	168.91
45	47	**Pfizer**, New York	235.3	217.6	8.1	96.5	89.2	5,671.5	5,385.4	916.5	1,103.8	3,096.6	2,884.2	13.16	13.25
46	45	**Tandy Corp.**, Fort Worth, Texas	232.7	233.5	(0.3)	86.2	86.5	4,499.6	4,180.7	290.3	323.5	4,499.6	4,180.7	19.34	17.91
47	54	**American Stores Co.**, Salt Lake City, Utah	220.0	193.3	13.8	138.6	121.8	22,004.2	18,478.4	118.1	98.3	22,004.2	18,478.4	100.01	95.61
48	63	**MCA Inc.**, Universal City, Calif.	219.9	157.1	40.0	133.4	95.3	3,382.3	2,900.4	191.8	164.9	2,717.8	2,328.1	12.36	14.82
49	65	**Montgomery Ward & Co.**, Chicago	213.6	154.0	38.7	107.2	77.3	5,323.0	5,452.0	151.0	146.0	5,323.0	5,452.0	24.92	35.40
50	51	**Hyundai Group**, Seoul, S. Korea	212.8	204.8	3.9	151.9	146.2	32,200.0	27,000.0	NA	NA	NA	NA	NA	NA
51	48	**ConAgra**, Omaha	211.3	214.0	(1.3)	94.7	95.9	19,763.2	15,406.4	243.7	202.9	19,763.2	15,406.4	93.53	71.99
52	50	**U.S. Dairy Farmers**, Arlington, Va.	205.9	205.5	0.2	111.2	111.0	NA	NA	NA	NA	NA	NA	NA	NA
53	58	**American Brands**, New York	204.2	168.0	21.5	90.7	74.6	11,921.4	11,980.0	630.8	580.0	4,521.7	4,459.7	22.14	26.54
54	41	**SmithKline Beecham**, London	203.2	258.8	(21.5)	108.7	138.5	5,904.0	5,945.0	210.0	593.0	3,101.0	2,587.0	15.26	10.00
55	52	**Adolph Coors Co.**, Golden, Colo.	201.0	200.8	0.1	126.6	126.5	1,763.9	1,521.7	13.1	46.9	1,763.9	1,521.7	8.77	7.58
56	49	**IBM Corp.**, Armonk, N.Y.	196.9	213.1	(7.6)	102.4	110.8	62,710.0	59,681.0	3,758.0	5,806.0	25,745.0	25,320.0	130.76	118.82
57	53	**Campbell Soup Co.**, Camden, N.J.	196.7	194.6	1.1	131.2	129.8	5,205.8	5,672.1	44	13.1	4,527.2	4,233.4	23.02	21.75
58	57	**Revlon Group**, New York	196.5	176.1	11.6	98.1	87.9	2,941.8	2,670.2	113.5	189.0	1,977.7	1,794.8	10.06	10.19
59	66	**B.A.T. Industries**, London	196.4	150.5	30.5	108.2	82.9	36,223.9	31,275.8	3,030.4	2,228.8	7,848.8	5,851.9	39.96	38.88
60	68	**Mazda Motor Corp.**, Hiroshima	196.3	146.9	33.7	143.5	107.4	12,940.0	NA	168.0	NA	NA	NA	NA	NA
61	62	**Gillette Co.**, Boston	185.1	158.1	17.0	97.8	83.5	3,818.5	3,581.2	284.7	268.5	1,348.0	1,251.3	7.28	7.91
62	70	**Philips NV**, Eindhoven, The Netherlands	182.3	145.2	25.5	91.4	72.8	29,960.2	28,039.5	719.4	528.0	6,202.6	5,894.7	34.02	40.59
63	59	**Clorox Co.**, Oakland, Calif.	179.9	165.4	8.8	133.9	123.1	1,484.0	1,356.3	153.6	124.1	1,484.0	1,356.3	8.25	8.20
64	81	**Goodyear Tire & Rubber Co.**, Akron, Ohio	168.3	124.0	35.7	66.8	49.2	10,869.3	10,810.4	206.8	350.1	6,421.3	6,360.7	38.16	51.29
65	76	**CPC International**, Englewood Cliffs, N.J.	166.2	130.9	27.0	60.9	48.0	5,103.0	4,700.0	328.0	289.0	2,260.0	2,044.0	13.59	15.62
66	87	**Marriott Corp.**, Washington	162.0	119.7	35.4	59.4	43.9	7,536.0	6,624.0	177.0	232.0	NA	NA	NA	NA
67	67	**Dow Chemical Co.**, Midland, Mich.	160.2	150.1	6.8	119.2	111.7	17,600.0	16,682.0	2,487.0	2,398.0	8,084.0	7,497.0	50.45	49.96
68	93	**S.C. Johnson & Son**, Racine, Wis.	160.1	109.5	46.2	87.7	60.0	2,500.0	2,500.0	NA	NA	2,500.0	2,500.0	15.62	22.84
69	94	**Subaru of America**, Cherry Hill, N.J.	159.5	108.1	47.6	112.9	76.5	1,718.1	1,695.1	(42.4)	(57.9)	1,718.1	1,695.1	10.77	15.69
70	64	**Mobil Corp.**, Fairfax, Va.	156.3	154.1	1.4	48.0	47.3	58,188.0	54,361.0	1,809.0	2,087.0	19,191.0	17,411.0	122.81	112.99
71	56	**Hasbro**, Pawtucket, R.I.	151.9	176.7	(14.0)	123.6	143.8	1,409.7	1,357.9	92.2	72.4	954.3	925.1	6.28	5.24
72	55	**Schering-Plough Corp.**, Madison, N.J.	150.2	178.6	(15.9)	72.6	86.3	3,157.9	2,969.4	471.3	389.8	1,987.2	1,797.0	13.23	10.06
73	89	**Citicorp**, New York	146.3	119.1	22.9	103.9	84.6	13,752.0	13,018.0	498.0	1,858.0	8,747.0	7,946.0	59.79	66.74
74	82	**Loews Corp.**, New York	143.0	123.3	16.0	79.8	68.8	11,436.7	10,752.5	907.1	908.5	NA	NA	NA	NA
75	73	**Paramount Communications**, New York	141.2	140.3	0.7	85.4	84.9	3,391.6	3,055.9	1,465.4	384.7	NA	NA	NA	NA
76	88	**Hallmark Cards**, Kansas City, Mo.	138.2	119.3	15.8	81.9	70.7	2,500.0	2,300.0	NA	NA	2,500.0	2,300.0	18.09	19.28
77	71	**Seagram Co.**, Montreal	136.8	140.8	(2.8)	101.8	104.8	5,581.8	5,055.7	710.6	589.5	2,742.0	2,469.0	20.04	17.54
78	60	**E.I. du Pont de Nemours & Co.**, Wilmington, Del.	133.2	126.3	5.4	89.0	84.4	35,534.0	32,360.0	2,480.0	2,190.0	21,382.0	19,539.0	160.53	154.66
79	92	**Bell Atlantic Corp.**, Philadelphia	132.0	113.2	16.6	56.7	48.6	11,448.6	10,880.1	1,074.5	1,316.8	11,448.6	10,880.1	86.76	96.11
80	72	**Volkswagen AG**, Wolfsburg, Germany	131.9	140.4	(6.0)	92.3	98.3	34,822.8	27,770.6	553.1	446.3	2,868.3	3,335.0	21.74	23.76
81	96	**Circuit City Stores**, Richmond, Va.	131.2	101.0	29.9	78.7	60.6	2,096.6	1,721.5	78.1	69.5	2,096.6	1,721.5	15.98	17.04
82	85	**AMR Corp.**, Dallas	131.0	120.5	8.7	95.9	88.2	10,479.6	8,824.3	454.8	476.8	10,479.6	8,824.3	80.01	73.21
83	77	**News Corp.**, Sydney	128.9	130.2	(1.0)	123.3	124.5	8,763.3	7,813.2	282.3	496.5	4,930.0	3,739.2	38.25	28.72
84	74	**ITT Corp.**, New York	128.5	135.0	(4.8)	34.0	38.0	20,054.0	19,355.0	922.0	817.0	14,327.0	13,820.0	111.46	102.37
85	86	**UAL Corp.**, Elk Grove Village, Ill.	127.3	120.0	6.2	86.4	81.5	9,793.6	8,981.7	324.2	599.9	9,793.6	8,981.7	76.91	74.88
86	99	**Wal-Mart Stores**, Bentonville, Ark.	127.1	98.2	29.4	51.4	39.7	25,810.7	20,649.0	1,075.9	837.2	25,810.7	20,649.0	203.15	210.35
87	61	**Carter Hawley Hale Stores**, Los Angeles	126.6	158.3	(20.0)	69.1	86.4	2,787.4	2,617.1	13.5	17.7	2,787.4	2,617.1	22.02	16.54
88	69	**Kroger Co.**, Cincinnati	125.5	145.9	(14.0)	56.6	65.8	19,104.0	19,053.0	(72.7)	34.5	19,104.0	19,053.0	152.24	130.58
89	75	**Wm. Wrigley Jr. Co.**, Chicago	124.3	134.1	(7.4)	113.9	122.9	992.9	891.4	106.1	87.2	673.9	594.1	5.42	4.43
90	83	**Levi Strauss & Co.**, San Francisco	123.1	122.9	0.1	51.2	51.1	3,600.0	3,100.0	272.3	NA	NA	NA	NA	NA
91	91	**Wendy's International**, Dublin, Ohio	122.4	114.1	7.3	93.1	86.8	1,069.7	1,062.6	30.4	28.5	NA	NA	NA	NA
92	97	**United Telecommunications**, Shawnee Mission, Kan.	121.3	100.7	20.5	63.5	52.7	7,549.0	6,493.0	362.9	141.8	7,549.0	6,493.0	62.24	64.48
93	60	**Nynex Corp.**, New York	120.7	160.4	(24.8)	62.8	83.4	13,211.0	12,661.0	808.0	1,315.0	13,211.0	12,661.0	109.45	78.91
94	78	**Continental Airlines Holdings**, Houston	119.6	128.8	(7.1)	99.1	106.7	6,684.9	8,572.9	(885.6)	(718.6)	6,684.9	8,572.9	55.88	66.54
95	95	**Delta Air Lines**, Atlanta	116.9	104.9	10.5	87.0	78.7	8,089.5	6,915.4	460.9	306.8	8,089.5	6,915.4	69.76	65.92
96	98	**Daimler-Benz AG**, Stuttgart, Germany	115.5	99.7	15.9	85.6	73.9	40,705.5	42,053.8	3,628.2	973.9	6,944.1	6,761.7	60.10	67.83
97	79	**Bayer AG**, Leverkusen, Germany	112.8	126.6	(11.5)	65.9	74.5	23,071.9	23,155.8	1,127.5	1,082.3	5,426.0	4,319.0	48.46	37.28
98	90	**Whitman Corp.**, Chicago	108.4	115.4	(6.1)	66.4	70.7	3,985.9	3,474.9	228.2	174.3	3,337.0	2,884.9	30.79	25.01
99	100	**Nike Inc.**, Beaverton, Ore.	104.6	73.4	42.6	51.3	36.0	2,235.0	1,711.0	243.0	167.0	1,755.0	1,362.0	16.77	18.56
100	84	**Dr Pepper/Seven Up Cos.**, Dallas	104.3	121.0	(13.8)	67.4	78.2	513.7	310.9	(42.3)	(43.8)	513.7	310.9	4.92	2.57

Notes: Dollars are in millions, except U.S. sales per ad dollar. Ad spending figures are AA estimates. Rankings given for 1988 are pro forma and reflect only companies listed in this table. This table is an updated version from 100 Leading National Advertisers (AA, Sept. 26).

AA chart: Kevin Brown

Top 100 magazines by 1989 gross revenues

Rank 1989	Rank 1988	Magazine, headquarters	Total revenues	'89-'88 % chg	Ad revenues	Ad pages	Subscriber revenues	Newsstand revenues	Paid circulation	Parent company	Telephone
1	1	**TV Guide**, Radnor, Pa.	$928.3	(3.0)	$323.0	3,255.13	$323.5	$281.8	15,867,750	News Corp.	(215) 293-8500
2	2	**Time**, New York	636.5	0.9	373.4	2,733.86	240.0	23.1	4,339,029	Time Warner	(212) 522-1212
3	3	**People**, New York	605.6	4.7	326.2	3,770.81	102.1	177.4	3,270,835	Time Warner	(212) 522-1212
4	4	**Sports Illustrated**, New York	565.9	7.4	336.7	2,981.90	212.2	17.0	3,597,891	Time Warner	(212) 522-1212
5	5	**Reader's Digest**, New York	419.2	1.4	113.6	1,110.27	284.6	21.0	16,343,599	Reader's Digest Association	(212) 953-0030
6	6	**Newsweek**, New York	397.8	3.1	255.9	2,495.29	123.5	18.4	3,180,011	Washington Post Co.	(212) 250-4000
7	8	**Parade**, New York	314.5	18.0	314.5	717.86	NA	NA	32,632,565	Advance Publications	(212) 573-7000
8	9	**Business Week**, New York	298.7	12.8	260.6	4,914.15	33.9	4.2	889,535	McGraw-Hill	(212) 512-2000
9	7	**Better Homes & Gardens**, Des Moines	275.7	2.4	152.4	1,402.00	111.2	12.1	8,005,311	Meredith Corp.	(212) 557-6600
10	10	**Family Circle**, New York	249.3	3.7	152.2	2,018.81	25.9	71.1	5,461,786	New York Times Co.	(212) 463-1000
11	11	**Good Housekeeping**, New York	245.2	9.2	148.0	1,702.03	61.8	35.4	5,152,245	Hearst Corp.	(212) 649-2531
12	12	**U.S. News & World Report**, New York	244.8	9.5	152.8	2,053.17	85.0	6.9	2,209,996	U.S. News & World Report	(212) 326-5300
13	14	**National Geographic**, Washington	226.1	3.4	33.2	271.21	192.9	NA	10,890,660	National Geographic Society	(202) 775-6700
14	13	**National Enquirer**, Lantana, Fla.	219.9	0.3	45.0	1,200.00	13.0	161.9	4,100,740	Macfadden Holdings	(407) 586-1111
15	15	**Woman's Day**, New York	212.8	2.8	135.6	1,790.38	2.0	75.2	4,705,288	Hachette Publications	(212) 767-6000
16	17	**Ladies' Home Journal**, New York	207.2	13.5	104.7	1,616.16	81.6	20.9	5,038,297	Meredith Corp.	(212) 953-7070
17	16	**Cosmopolitan**, New York	204.3	4.6	125.7	2,352.25	12.4	66.1	2,702,125	Hearst Corp.	(212) 649-3316
18	18	**Fortune**, New York	202.7	20.2	168.7	3,775.00	29.9	4.2	668,972	Time Warner	(212) 522-1212
19	19	**Forbes**, New York	195.4	17.5	157.7	3,905.84	33.7	4.0	743,533	Forbes Inc.	(212) 620-2200
20	23	**PC Magazine**, New York	182.8	36.0	147.3	5,766.00	27.2	8.3	732,409	Ziff Communications	(212) 503-5100
21	20	**Star Magazine**, Tarrytown, N.Y.	173.0	9.9	18.1	562.02	14.1	140.8	3,562,367	Macfadden Holdings	(914) 332-5000
22	21	**McCall's**, New York	167.8	6.9	74.8	1,121.18	80.8	12.2	5,088,686	New York Times Co.	(212) 551-9500
23	22	**Money**, New York	143.2	2.4	79.7	1,313.44	52.6	10.9	1,834,618	Time Warner	(212) 522-1212
24	24	**Glamour**, New York	141.9	7.4	88.8	1,959.53	13.6	39.4	2,224,135	Advance Publications	(212) 880-8800
25	25	**Vogue**, New York	140.8	10.6	101.0	3,321.86	12.3	27.4	1,247,920	Advance Publications	(212) 880-8800
26	26	**Redbook**, New York	130.6	7.2	75.0	1,250.80	37.5	18.1	3,901,419	Hearst Corp.	(212) 649-3330
27	27	**New York Times Magazine**, New York	126.8	5.3	126.8	4,036.00	NA	NA	1,663,530	New York Times Co.	(212) 556-1234
28	28	**Cable Guide**, Horsham, Pa.	123.1	3.1	33.8	449.39	89.3	NA	7,437,698	TVSM	(212) 683-6116
29	29	**Penthouse**, New York	118.4	0.0	25.1	619.67	11.2	82.0	1,830,823	General Media	(212) 496-6100
30	31	**Life**, New York	117.1	7.6	56.8	810.96	37.9	22.4	1,749,723	Time Warner	(212) 522-1212
31	30	**Southern Living**, Birmingham, Ala.	113.7	0.3	61.2	1,330.00	46.5	6.0	2,318,841	Time Warner	(205) 877-6000
32	32	**Rolling Stone**, New York	113.0	7.4	71.1	1,964.79	23.7	18.2	1,216,781	Straight Arrow Publishers	(212) 758-3800
33	40	**USA Weekend**, New York	103.8	30.1	103.8	643.68	NA	NA	NA	Gannett Co.	(212) 715-2100
34	33	**Playboy**, Chicago	100.5	1.7	46.5	740.48	54.7	42.9	3,421,203	Playboy Enterprises	(312) 751-8000
35	36	**Modern Maturity**, Lakewood, Calif.	98.9	14.6	47.5	255.95	51.4	NA	21,430,990	AARP	(213) 496-2277
36	37	**Golf Digest**, Trumbull, Conn.	97.5	17.8	64.0	1,333.09	29.3	4.2	1,363,907	New York Times Co.	(203) 373-7000
37	34	**Parents**, New York	95.9	7.7	60.3	1,544.02	32.2	3.3	1,752,697	Gruner & Jahr Publications	(212) 878-8700
38	35	**Smithsonian**, Washington	90.8	4.6	43.8	1,053.24	46.6	0.4	2,342,443	Smithsonian Institution	(202) 786-2900
39	39	**Elle**, New York	88.6	10.7	62.6	2,321.53	7.6	18.3	826,336	Hachette Publications	(212) 767-6044
40	44	**Consumer Reports**, Mt. Vernon, N.Y.	88.2	23.0	NA	NA	85.5	2.7	4,598,804	Consumers Union of U.S.	(914) 667-9400
41	41	**Travel & Leisure**, New York	86.9	10.5	53.3	1,582.00	33.0	0.6	1,111,264	American Express Co.	(212) 382-5600
42	38	**PC Week**, Boston	80.8	(1.6)	80.8	4,760.00	NA	NA	NA	Ziff Communications	(617) 375-4000
43	43	**Country Living**, New York	80.4	12.2	42.6	1,106.38	18.5	19.4	1,801,414	Hearst Corp.	(212) 649-3192
44	50	**Woman's World**, Englewood Cliffs, N.J.	79.8	18.1	2.7	173.00	NA	77.1	1,560,496	Bauer Publishing Co.	(201) 569-6699
45	42	**Mademoiselle**, New York	76.7	1.3	48.7	1,649.46	6.9	21.1	1,162,206	Advance Publications	(212) 880-8800
46	48	**The New Yorker**, New York	75.5	9.2	54.0	2,409.51	19.1	2.4	622,123	Advance Publications	(212) 840-3800
47	53	**Car & Driver**, New York	74.3	15.5	54.3	1,302.28	12.1	7.9	934,377	Hachette Publications	(212) 767-6095
48	45	**Architectural Digest**, Los Angeles	72.9	4.0	46.0	1,892.32	20.3	6.5	628,920	Knapp Communications Corp.	(213) 965-3700
49	46	**Field & Stream**, New York	72.8	4.0	39.9	929.91	30.6	2.3	2,015,577	Times Mirror Co.	(212) 337-6249
50	54	**Prevention**, Emmaus, Pa.	72.1	13.3	19.4	602.70	44.4	8.2	3,134,914	Rodale Press	(215) 967-5171
51	51	**Computerworld**, Framingham, Mass.	70.3	5.0	64.4	4,179.00	5.9	NA	134,133	International Data Group	(800) 343-6474
52	49	**Seventeen**, New York	70.2	1.8	39.6	1,331.70	20.5	10.1	1,766,161	News Corp.	(212) 759-8100
53	55	**GQ**, New York	69.9	10.2	49.9	2,231.04	5.8	14.2	684,403	Advance Publications	(212) 880-8800
54	52	**Ebony**, Chicago	68.7	5.5	38.0	1,149.40	24.6	6.2	1,791,976	Johnson Publishing Co.	(312) 322-9200
55	59	**US**, New York	67.3	16.3	22.4	761.48	26.1	18.8	1,365,892	Straight Arrow Publishers	(212) 836-9200
56	47	**Sunset**, Menlo Park, Calif.	67.3	(3.8)	44.4	1,503.31	20.8	2.1	1,393,015	Time Warner	(415) 321-3600
57	65	**Bride's**, New York	65.6	24.3	55.3	3,358.86	0.7	9.6	361,130	Advance Publications	(212) 880-8800
58	57	**Self**, New York	65.5	11.4	42.3	1,347.88	9.3	13.8	1,213,314	Advance Publications	(212) 880-8800
59	58	**Soap Opera Digest**, New York	63.2	8.5	5.8	469.25	12.1	45.4	2,100,508	News Corp.	(212) 645-2100
60	61	**New York Magazine**, New York	58.7	6.5	47.4	3,094.86	9.1	2.2	432,993	News Corp.	(212) 880-0700
61	62	**Inc.**, Boston	58.7	9.1	46.6	1,231.46	10.5	1.5	630,203	Goldhirsh Group	(617) 227-4700
62	73	**Modern Bride**, New York	57.6	19.8	47.5	2,459.00	0.6	9.5	396,095	Reed International	(212) 779-1999
63	63	**Bon Appetit**, Los Angeles	56.5	5.0	31.0	1,053.67	22.5	3.0	1,248,884	Knapp Communications Corp.	(212) 687-1255
64	NA	**First for Women**, Englewood Cliffs, N.J.	56.1	NA	14.0	411.00	NA	42.1	3,509,688	Bauer Publishing Co.	(212) 953-3344
65	NA	**Highlights for Children**, Columbus, Ohio	55.9	NA	NA	NA	55.9	NA	2,800,000	Highlights for Children	(614) 486-0631
66	76	**BYTE**, Petersborough, N.H.	55.8	20.6	44.3	4,000.00	8.9	2.6	461,124	McGraw-Hill	(603) 924-9281
67	94	**Vanity Fair**, New York	55.4	45.2	41.6	1,487.42	5.6	8.2	741,747	Advance Publications	(212) 880-8800
68	69	**Road & Track**, Newport Beach, Calif.	55.0	10.3	37.7	1,297.30	10.0	7.4	708,223	Hachette Publications	(714) 720-5300
69	71	**Travel Weekly**, Secaucus, N.J.	54.7	10.4	54.0	4,991.79	0.7	NA	44,506	Reed International	(201) 902-1500
70	72	**1001 Home Ideas**, New York	54.3	9.8	19.0	699.74	34.2	1.2	1,603,099	Family Media	(212) 799-6200
71	66	**Popular Mechanics**, New York	54.3	3.4	28.7	929.01	19.4	6.2	1,650,693	Hearst Corp.	(212) 649-3076
72	70	**Popular Science**, New York	54.2	8.9	26.8	949.26	22.3	5.1	1,818,403	Times Mirror Co.	(212) 779-5000
73	81	**Golf**, New York	54.2	24.5	32.8	1,159.86	18.2	3.2	1,019,379	Times Mirror Co.	(212) 779-5000
74	60	**Sporting News**, St. Louis	54.1	(2.5)	9.1	586.76	40.1	4.9	710,452	Times Mirror Co.	(314) 997-7111
75	64	**Jet**, Chicago	53.5	(0.2)	17.9	1,115.50	25.0	10.6	860,671	Johnson Publishing Co.	(312) 322-9200
76	68	**Harper's Bazaar**, New York	52.6	4.9	36.0	1,454.78	7.0	9.1	735,738	Hearst Corp.	(212) 903-5000
77	56	**Globe**, Boca Raton, Fla.	51.9	(12.2)	1.0	81.10	1.2	49.7	1,329,413	Globe Communications Corp.	(407) 997-7733
78	78	**Esquire**, New York	51.4	14.2	38.0	1,331.10	9.7	3.1	733,675	Hearst Corp.	(212) 459-0600
79	85	**Metropolitan Home**, Des Moines	51.1	20.0	35.7	1,220.31	12.5	2.9	708,949	Meredith Corp.	(515) 284-3000
80	77	**New Woman**, New York	50.3	9.2	23.4	1,007.32	11.9	15.1	1,390,830	News Corp.	(212) 685-4790
81	67	**Barron's**, New York	49.8	(2.9)	25.3	1,846.50	12.3	12.2	244,922	Dow Jones & Co.	(212) 808-7200
82	74	**Outdoor Life**, New York	49.7	6.3	27.7	942.14	19.5	2.5	1,507,529	Times Mirror Co.	(212) 779-5000
83	75	**Omni**, New York	48.6	4.5	22.0	716.19	16.4	10.2	925,436	General Media	(212) 496-6100
84	89	**Endless Vacation**, Indianapolis	47.7	16.7	3.9	332.21	43.7	0.1	744,523	Endless Vacation Publications	(317) 871-9555
85	82	**Gourmet**, New York	47.6	9.6	31.6	1,315.43	12.4	3.5	807,377	Advance Publications	(212) 371-1330
86	86	**Muscle & Fitness**, Woodland Hills, Calif.	47.5	12.7	21.0	1,512.00	4.3	22.2	591,832	I. Brute Enterprises	(818) 595-0474
87	83	**Town & Country**, New York	47.5	9.5	36.3	1,665.58	8.3	2.9	427,180	Hearst Corp.	(212) 903-5000
88	90	**Motor Trend**, Los Angeles	47.4	16.9	32.0	1,025.80	7.5	7.9	818,021	Petersen Publishing Co.	(213) 854-2222
89	88	**PC World**, San Francisco	46.7	13.3	30.7	2,037.00	12.9	3.1	526,064	International Data Group	(415) 243-0500
90	79	**Restaurants & Institutions**, Des Plaines, Ill.	46.0	5.3	46.0	4,530.00	NA	NA	NA	Reed International	(708) 635-8800
91	112	**Computer Shopper**, New York	44.8	52.7	35.1	5,993.00	3.6	6.1	291,528	Ziff Communications	(212) 503-3800
92	87	**House Beautiful**, New York	44.2	5.0	27.3	818.30	10.9	6.0	939,735	Hearst Corp.	(212) 903-5100
93	NA	**CRN/Computer Reseller News**, Manhasset, N.Y.	43.3	NA	43.3	6,262.00	NA	NA	NA	CMP Publications	(516) 562-5000
94	92	**Working Woman**, New York	42.1	7.5	25.0	1,125.03	15.2	1.9	907,945	Lang Communications	(212) 309-9800
95	98	**Hot Rod**, Los Angeles	40.7	15.1	22.7	1,043.90	8.3	9.6	911,667	Petersen Publishing Co.	(213) 854-2222
96	NA	**Electronic Engineering Times**, Manhasset, N.Y.	40.4	NA	40.4	4,809.00	NA	NA	NA	CMP Publications	(516) 562-5000
97	91	**HG-House & Garden**, New York	40.3	0.8	23.5	990.32	12.6	4.3	512,165	Advance Publications	(212) 880-8800
98	97	**Discover**, New York	39.6	10.8	9.6	466.83	23.5	6.4	1,053,034	Family Media	(212) 779-6200
99	99	**W**, New York	39.4	12.0	31.1	1,509.00	6.6	1.6	242,885	Capital Cities/ABC	(212) 741-4277
100	93	**EDN**, Newton, Mass.	39.2	1.7	39.2	6,109.00	NA	NA	NA	Reed International	(617) 964-3030

Notes: Dollars are in millions. All figures are gross and represent AA estimates. This table is an updated version from the Top 300 Magazines report (AA, June 18)

AA chart: Kevin Brown

100 leading media companies by revenue

Rank 1989	Rank 1988	Company, headquarters	Total media revenue 1989	Total media revenue 1988	% chg	Newspaper revenue 1989	Newspaper revenue 1988	Magazine revenue 1989	Magazine revenue 1988	Broadcast* revenue 1989	Broadcast* revenue 1988	Cable TV revenue 1989	Cable TV revenue 1988	Other media revenue 1989	Other media revenue 1988
1	1	**Capital Cities/ABC**, New York	$4,767.0	$4,588.5	3.9	$490.9	$468.9	$376.1	$370.0	$3,584.9	$3,508.5	$315.1	$241.1	—	—
2	2	**Time Warner**, New York	4,575.0	4,142.0	10.5	—	—	1,855.0	1,752.0	—	—	2,720.0	2,390.0	—	—
3	4	**Gannett Co.**, Arlington, Va.	3,518.2	3,314.5	6.1	2,852.0	2,697.9	—	—	408.3	390.5	—	—	$257.9	$226.1
4	3	**General Electric Co.**, Fairfield, Conn.	3,392.0	3,638.0	(6.8)	—	—	—	—	3,392.0	3,638.0	—	—	—	—
5	5	**CBS Inc.**, New York	2,959.9	2,776.8	6.6	—	—	—	—	2,959.9	2,776.8	—	—	—	—
6	7	**Advance Publications**, Newark, N.J.	2,881.7	2,655.5	8.5	1,745.0	1,681.1	841.9	745.0	—	—	294.8	229.4	—	—
7	6	**Times Mirror Co.**, Los Angeles	2,807.1	2,677.9	4.8	2,065.9	1,997.7	305.9	298.5	102.8	99.0	332.5	282.7	—	—
8	11	**TCI**, Denver	2,353.0	1,705.1	38.0	—	—	—	—	—	—	2,353.0	1,705.1	—	—
9	8	**Knight-Ridder**, Miami	2,261.8	2,077.1	8.9	1,988.4	1,917.4	—	—	—	—	—	—	273.4	159.7
10	13	**News Corp.**, Sydney	2,203.0	1,683.3	30.9	284.0	195.7	713.0	509.6	700.0	620.0	—	—	506.0	358.0
11	10	**Tribune Co.**, Chicago	2,098.8	1,985.5	5.7	1,630.7	1,561.7	—	—	468.1	423.8	—	—	—	—
12	9	**Hearst Corp.**, New York	2,094.5	1,986.0	5.5	700.0	689.0	992.5	919.0	270.5	263.0	20.5	15.0	111.0	100.0
13	12	**New York Times Co.**, New York	1,768.9	1,700.1	4.0	1,398.5	1,380.1	295.6	249.1	65.8	62.5	—	—	9.0	8.4
14	14	**Cox Enterprises**, Atlanta	1,664.0	1,578.2	5.4	754.0	739.0	—	—	400.5	367.4	509.5	471.8	—	—
15	15	**Washington Post Co.**, Washington	1,372.9	1,305.6	5.2	726.7	682.7	334.4	327.5	182.5	180.2	129.3	115.2	—	—
16	17	**Thomson Corp.**, Toronto	1,327.6	1,126.0	17.9	594.5	530.0	733.1	596.0	—	—	—	—	—	—
17	18	**Viacom International**, New York	1,198.7	1,113.8	7.6	—	—	—	—	146.1	141.2	1,052.6	972.6	—	—
18	16	**E.W. Scripps**, Cincinnati	1,180.0	1,133.8	4.1	780.1	770.2	—	—	222.6	214.1	177.3	149.5	—	—
19	19	**Dow Jones & Co.**, New York	975.2	973.1	0.2	941.2	937.1	34.0	36.0	—	—	—	—	—	—
20	22	**Continental Cablevision**, Boston	780.0	622.0	25.4	—	—	—	—	—	—	780.0	622.0	—	—
21	37	**Reed Publishing USA**, Newton, Mass.	730.0	520.0	40.4	—	—	580.0	420.0	—	—	—	—	150.0	100.0
22	26	**Turner Broadcasting System**, Atlanta	728.7	537.6	35.5	—	—	—	—	—	—	728.7	537.6	—	—
23	20	**Ingersoll Publications Co.**, Princeton, N.J.	669.5	645.0	3.8	669.5	645.0	—	—	—	—	—	—	—	—
24	21	**Westinghouse Electric Corp.**, Pittsburgh	646.0	632.8	2.1	—	—	—	—	646.0	632.8	—	—	—	—
25	24	**Advo-Systems**, Windsor, Conn.	617.7	589.0	4.9	—	—	—	—	—	—	—	—	617.7	589.0
26	25	**MediaNews Group**, Dallas	594.2	572.4	3.8	594.2	572.4	—	—	—	—	—	—	—	—
27	23	**Reader's Digest**, Pleasantville, N.Y.	589.4	600.4	(1.8)	—	—	589.4	600.4	—	—	—	—	—	—
28	28	**McGraw-Hill**, New York	557.3	509.8	9.3	—	—	460.0	413.7	97.3	96.1	—	—	—	—
29	32	**Meredith Corp.**, Des Moines, Iowa	531.4	474.7	11.9	—	—	417.1	365.1	114.3	109.6	—	—	—	—
30	40	**Valassis Inserts**, Livonia, Mich.	525.0	400.0	31.3	—	—	—	—	—	—	—	—	525.0	400.0
31	33	**SCI Holdings**, Miami	516.0	472.1	9.3	—	—	—	—	—	—	516.0	472.1	—	—
32	29	**Affiliated Publications**, Boston	515.1	506.5	1.7	435.6	444.5	79.5	62.0	—	—	—	—	—	—
33	39	**Comcast Corp.**, Bala Cynwyd, Pa.	502.0	404.1	24.2	—	—	—	—	—	—	502.0	404.1	—	—
34	27	**United Artists Entertainment Co.**, Denver	501.3	513.6	(2.4)	—	—	—	—	—	—	501.3	513.6	—	—
35	31	**Cablevision Systems Corp.**, Woodbury, N.Y.	492.7	493.5	(0.2)	—	—	—	—	—	—	492.7	493.5	—	—
36	35	**Media General**, Richmond, Va.	451.1	445.0	1.4	298.1	298.9	13.5	13.5	56.2	61.8	83.3	70.8	—	—
37	36	**Freedom Newspapers**, Irvine, Calif.	449.7	432.0	4.1	367.0	353.0	—	—	82.7	79.0	—	—	—	—
38	34	**Harte-Hanks Communications**, San Antonio, Texas	436.3	462.7	(5.7)	319.0	342.4	—	—	24.3	26.0	—	—	93.0	94.3
39	38	**Central Newspapers**, Indianapolis	436.2	417.6	4.5	436.2	417.6	—	—	—	—	—	—	—	—
40	43	**Chronicle Publishing Co.**, San Francisco	421.0	384.0	9.6	247.0	234.0	—	—	99.0	96.0	75.0	54.0	—	—
41	52	**International Data Group**, Framingham, Mass.	420.0	352.0	19.3	—	—	420.0	352.0	—	—	—	—	—	—
42	42	**A.H. Belo Corp.**, Dallas	417.1	385.4	8.2	238.0	220.1	—	—	179.2	165.3	—	—	—	—
43	49	**Landmark Communications**, Norfolk, Va.	414.0	363.6	13.9	341.2	303.5	—	—	29.6	27.9	43.2	32.2	—	—
44	41	**Pulitzer Publishing Co.**, St. Louis	402.2	391.0	2.9	296.8	287.2	—	—	105.4	103.8	—	—	—	—
45	47	**Oklahoma Publishing Co.**, Oklahoma City	399.6	374.0	6.8	127.0	125.0	—	—	159.6	156.0	113.0	93.0	—	—
46	44	**Morris Communications**, Augusta, Ga.	395.3	382.6	3.3	265.5	258.3	—	—	—	—	—	—	129.8	124.3
47	48	**Hachette Publications**, Paris	395.0	366.0	7.9	—	—	395.0	366.0	—	—	—	—	—	—
48	45	**Copley Newspapers**, La Jolla, Calif.	392.9	381.3	3.0	384.5	373.9	—	—	—	—	8.4	7.4	—	—
49	46	**Multimedia Inc.**, Greenville, S.C.	384.7	374.0	2.9	137.9	135.2	—	—	136.9	136.9	109.9	101.9	—	—
50	53	**Reuters Holdings PLC**, London	378.2	351.3	7.7	—	—	—	—	—	—	—	—	378.2	351.3
51	50	**Gillett Holdings**, Denver	367.0	354.0	3.7	—	—	—	—	367.0	354.0	—	—	—	—
52	51	**McClatchy Newspapers**, Sacramento, Calif.	365.6	352.6	3.7	365.6	352.6	—	—	—	—	—	—	—	—
53	54	**Cowles Media Co.**, Minneapolis	329.8	315.0	4.7	280.3	273.0	49.5	42.0	—	—	—	—	—	—
54	55	**Donrey Media Group**, Fort Smith, Ark.	312.2	300.0	4.1	236.8	228.1	—	—	9.7	9.6	11.4	10.3	54.3	52.0
55	57	**Journal Communications**, Milwaukee	285.7	274.9	3.9	232.0	222.2	—	—	53.7	52.7	—	—	—	—
56	58	**Associated Press**, New York	275.7	261.3	5.5	—	—	—	—	—	—	—	—	275.7	261.3
57	59	**3M**, St. Paul	264.6	249.6	6.0	—	—	—	—	—	—	—	—	264.6	249.6
58	61	**Providence Journal Co.**, Providence, R.I.	260.0	243.0	7.0	133.0	133.0	—	—	42.0	32.0	85.0	78.0	—	—
59	60	**National Geographic Society**, Washington	255.5	245.4	4.1	—	—	255.5	245.4	—	—	—	—	—	—
60	63	**Lee Enterprises**, Davenport, Iowa	250.0	234.8	6.5	180.2	166.9	—	—	69.8	67.9	—	—	—	—
61	62	**Chicago Sun-Times Co.**, Chicago	249.5	235.4	6.0	249.5	235.4	—	—	—	—	—	—	—	—
62	64	**Chris-Craft Industries**, New York	246.7	230.6	7.0	—	—	—	—	246.7	230.6	—	—	—	—
63	71	**Ziff Communications**, New York	240.0	200.0	20.0	—	—	240.0	200.0	—	—	—	—	—	—
64	66	**Sammons Communications**, Dallas	239.0	215.8	10.8	—	—	—	—	—	—	239.0	215.8	—	—
65	65	**Blade Communications**, Toledo, Ohio	232.6	225.2	3.3	180.6	174.0	—	—	17.0	16.2	35.0	35.0	—	—
66	75	**Adelphia Communications Corp.**, Coudersport, Pa.	231.5	185.0	25.1	—	—	—	—	—	—	231.5	185.0	—	—
67	74	**Petersen Publishing Co.**, Los Angeles	214.8	186.7	15.0	—	—	214.8	186.7	—	—	—	—	—	—
68	76	**Forbes Inc.**, New York	213.1	181.4	17.5	6.6	6.4	206.5	175.0	—	—	—	—	—	—
69	77	**Maclean Hunter**, Toronto	210.7	186.2	13.2	—	—	79.4	72.1	—	—	131.3	114.1	—	—
70	72	**Times Publishing Co.**, St. Petersburg, Fla.	209.0	194.0	7.7	181.0	169.1	28.0	24.9	—	—	—	—	—	—
71	68	**Dispatch Printing Co.**, Columbus, Ohio	205.4	204.4	0.5	140.0	140.0	2.1	2.1	63.3	62.3	—	—	—	—
72	91	**Edgell Communications**, Cleveland	205.0	148.3	38.2	—	—	205.0	148.3	—	—	—	—	—	—
73	NA	**Family Media**, New York	204.2	165.0	23.8	—	—	204.2	165.0	—	—	—	—	—	—
74	78	**TeleCable Corp.**, Norfolk, Va.	204.0	180.0	13.3	—	—	—	—	—	—	204.0	180.0	—	—
75	70	**Seattle Times Co.**, Seattle	200.0	200.0	0.0	200.0	200.0	—	—	—	—	—	—	—	—
76	67	**Macfadden Holdings**, New York	198.0	209.0	(5.3)	153.0	164.0	45.0	45.0	—	—	—	—	—	—
77	69	**Great American Communications Co.**, Cincinnati	197.7	200.4	(1.3)	—	—	—	—	197.7	200.4	—	—	—	—
78	83	**Century Communications Corp.**, New Canaan, Conn.	186.4	160.0	16.5	—	—	—	—	—	—	186.4	160.0	—	—
79	81	**Cablevision Industries Corp.**, Liberty, N.Y.	185.0	170.2	8.7	—	—	—	—	—	—	185.0	170.2	—	—
80	79	**Patrick Media Group**, Scranton, Pa.	182.0	175.0	4.0	—	—	—	—	—	—	—	—	182.0	175.0
81	80	**Macromedia**, Hackensack, N.J.	180.2	173.4	3.9	152.7	147.1	—	—	27.5	26.3	—	—	—	—
82	93	**U.S. News & World Report**, Washington	170.2	141.8	20.0	—	—	170.2	141.8	—	—	—	—	—	—
83	85	**Times Journal Co.**, Springfield, Va.	166.5	157.1	6.0	166.5	157.1	—	—	—	—	—	—	—	—
84	NA	**Heritage Media Corp.**, Dallas	165.0	46.5	254.8	—	—	—	—	48.9	46.5	—	—	116.1	—
85	87	**Whittle Communications**, Nashville	165.0	152.0	8.6	—	—	98.0	96.6	—	—	10.9	—	56.1	55.4
86	84	**LIN Broadcasting**, New York	162.4	158.4	2.5	—	—	23.4	21.2	139.0	137.2	—	—	—	—
87	89	**General Media International**, New York	160.0	150.0	6.7	—	—	160.0	150.0	—	—	—	—	—	—
88	73	**Howard Publications**, Oceanside, Calif.	160.0	190.0	(15.8)	160.0	155.0	—	—	—	20.0	—	15.0	—	—
89	98	**CMP Publications**, Manhasset, N.Y.	157.5	133.0	18.4	133.4	113.0	24.1	20.0	—	—	—	—	—	—
90	96	**Univision Holdings**, New York	153.1	136.3	12.3	—	—	—	—	153.1	136.3	—	—	—	—
91	90	**Park Communications**, Ithaca, N.Y.	152.5	149.6	1.9	89.9	87.3	—	—	62.6	62.3	—	—	—	—
92	82	**Houston Industries**, Houston, Texas	150.4	162.9	(7.7)	—	—	—	—	—	—	150.4	162.9	—	—
93	92	**Playboy Enterprises**, Chicago	147.7	143.8	2.7	—	—	126.1	120.4	—	—	21.6	23.4	—	—
94	95	**Crain Communications**, Chicago	145.1	137.2	5.8	—	—	144.7	136.8	0.4	0.4	—	—	—	—
95	NA	**Pittway Corp.**, Northbrook, Ill.	144.5	124.6	16.0	—	—	144.5	124.6	—	—	—	—	—	—
96	94	**H&C Communications**, Houston	140.0	140.0	0.0	—	—	—	—	140.0	140.0	—	—	—	—
97	NA	**Straight Arrow Publishers**, New York	135.9	121.8	11.5	—	—	135.9	121.8	—	—	—	—	—	—
98	86	**Bonneville International Corp.**, Salt Lake City	135.7	131.4	3.3	—	—	—	—	135.7	131.4	—	—	—	—
99	100	**Berkshire Hathaway**, Omaha	135.6	131.7	3.0	135.6	131.7	—	—	—	—	—	—	—	—
100	NA	**Ackerley Communications**, Seattle	134.5	124.3	8.2	—	—	—	—	50.1	44.0	—	—	84.4	80.3

Notes: Dollars are in millions. All figures are net revenues and AA estimates. *Broadcast revenues include TV and radio. This table is an updated version from the Top 100 Media Companies (AA, June 25)

Compiled by: Sarah Polster and R. Craig Endicott. **AA chart:** Kevin Brown

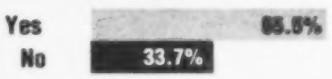
DATA FILE

The Best of Advertising Age/Gallup

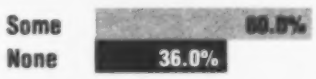
From cartoons to cholesterol, 1990 surveys showed consumer mood

What consumers think about ad warnings

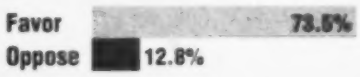
Are you aware of the proposed plan to put health warnings on beer, wine and liquor advertising, similar to the ones currently in place on cigarette advertising and packaging?



Do you think that placing these warning labels on beer, wine and liquor advertising will have some effect or no effect on alcoholic beverage consumption in America?



Do you favor or oppose putting such warnings on beer, wine and liquor advertising?



Do you favor or oppose banning all beer, wine and liquor advertising?

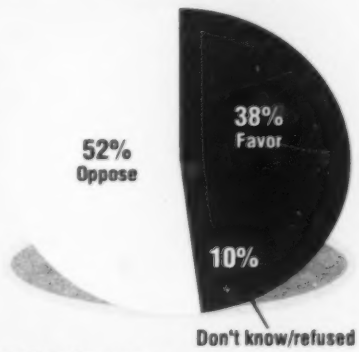
Source: The Gallup Organization

From AA, April 9 — Holly Segurne

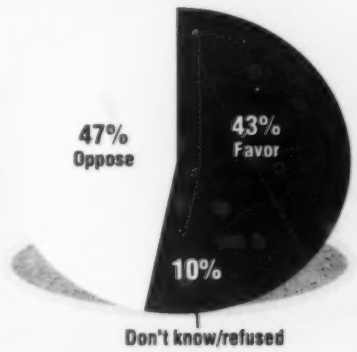
The disposable diaper dilemma

A surprising 38% of 1,029 people surveyed say they favor a tax on disposable diapers and 43% favor a ban.

Do you favor a special tax on sales of disposable diapers?



Do you favor a ban on sales of disposable diapers?



Source: Gallup Organization

From AA, June 11 — John Hall

Who do they love

It's Bugs Bunny's year. Celebrating his 50th birthday, Bugs emerges the clear winner in the popularity poll. Last month, 1,000 adults were asked: "Which one is your favorite cartoon or animated character?"

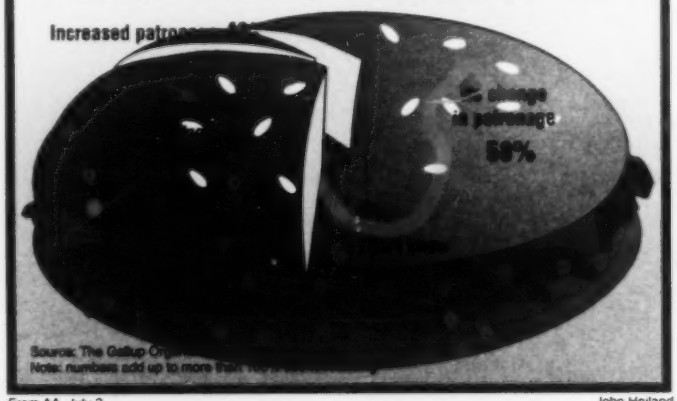
Rank	Character	Share of votes
1	Bugs Bunny	20.5%
2	Mickey Mouse	10.3%
3	Road Runner	5.9%
4	Donald Duck	3.8%
5	Garfield the Cat	3.6%
6	Bart Simpson	1.7%
6	The Flintstones	1.7%
8	Popeye	1.6%
9	Daffy Duck	1.4%
9	Winnie the Pooh	1.4%

Source: Gallup Organization

From AA, Sept. 17

Cholesterol concerns cut fast-food patronage

People who said they were aware of the recent controversy over high fat content in some fast-foods were asked how the criticisms have affected their patronage of fast-food hamburger chains.



Source: The Gallup Or
Note: numbers add up to more than

From AA, July 2 — John Heiland

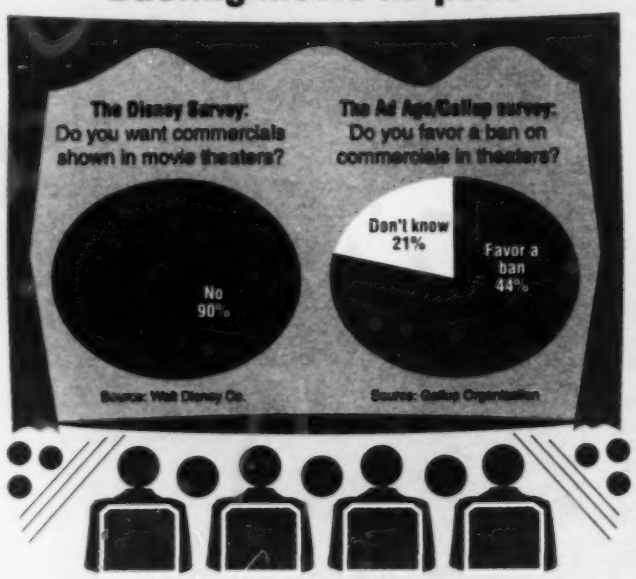
Social responsibility

Last month, 1,050 adults were asked "Does a company that sells its products to minorities have an obligation to return some of its profits to minority communities, or not?"

Source: Gallup Organization

From AA, Oct. 29 — John Heiland

Dueling movie ad polls

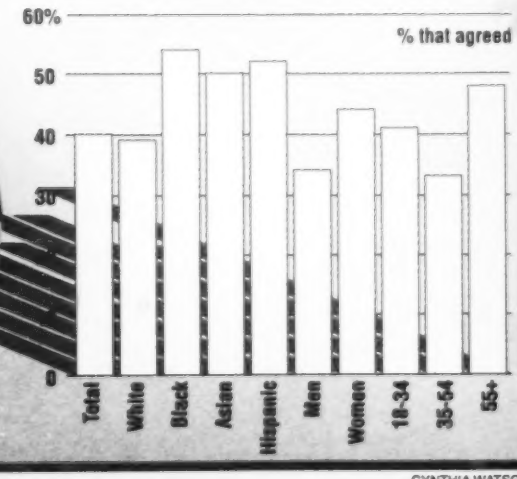


From AA, April 23 — Holly Segurne

Outdoor's defacement dilemma

How strongly do you agree with or disagree with defacing outdoor ads:

Do you agree that any means should be used to get an advertiser to remove an offensive ad:



Source: Gallup Organization survey of 1,000 adults.

From AA, Aug. 13 — CYNTHIA WATSON

NOTE

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NEWSPAPER

Advertising Age

January 7, 1991

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Levine suffers surprise departure of 2 top execs

By Jon Lafayette

NEW YORK—Two top executives at Levine, Huntley, Schmidt & Beaver left the agency in a New Year's surprise last week, forcing the return of two semi-retired principals in an attempt to hold the shop together.

Chairman-CEO Bob Schmidt, 53, left the agency to join client Dreyfus Co. as corporate VP and president of the mutual fund company's sales, marketing and service unit.

At the same time, Creative Director Tony DeGregorio, 44, took a new job as executive creative director at Lintas:New York.

Mr. DeGregorio succeeds Frank DeVito, who continues as president of Lintas:New York but will assume creative responsibilities for key multinational accounts in North and South America.

At first glance, the departures appear to be devastating to a midsize creative shop like Levine Huntley, with billings of $280

(Continued on Page 42)

'Value' strategy to battle recession

An Advertising Age roundup

A growing number of marketers are embracing the idea of value pricing to deal with the current recession and economic uncertainty caused by the Middle East crisis.

Categories including food, automobiles, cosmetics, liquor and hotels are exploring less expensive or "value-price" versions of established brand name products.

This strategy is in stark contrast to the last recession, in the early 1980s, when consumers were given no-name generic products, which they soon rejected.

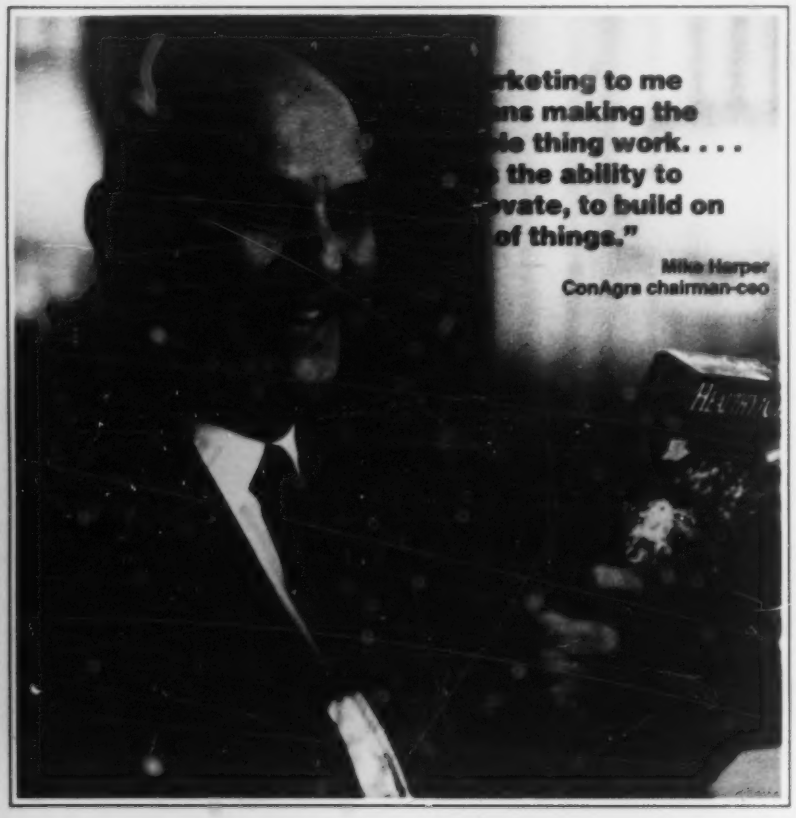
"1991 will be the year of value pricing," said PaineWebber analyst Manny Goldman.

Extending established brands with lower-price versions gives the new products "the imprimatur of a major player" by "carrying cachet and giving consumers confidence [that the new product] is not a mongrel," said Stephen A. Greyser, professor of consumer marketing at Harvard University's Graduate School of Business.

Such "mongrels" have turned consumers away from bargain-basement and no-name brands, said Mona Doyle, a consultant at Consumer Network Inc., a consumer researcher.

"People buying cheaper

(Continued on Page 44)



Harper: ConAgra's Healthy Choice

Adman of the Year leads company's emergence as a food industry giant

By Julie Liesse

When *Advertising Age* chose David Mahoney, chairman of Norton Simon Inc., as its first Adman of the Year back in 1971, Mike Harper was with Pillsbury Co. buying and selling chickens.

During the 20 years that followed, Mr. Harper went on to buy companies and build ConAgra's sales from $600 million in 1974 to an estimated $23 billion this fiscal year.

NSI, meanwhile, was disappearing into Beatrice Cos., and in late 1990, the last part of a divested Beatrice—including the Hunt-Wesson brands originally owned by Mr. Mahoney's old company—became ConAgra's largest acquisition.

"That's sort of a full circle, isn't it?" Mr. Harper asks.

For building Omaha, Neb.-based ConAgra into the nation's No. 2 food company and for shepherding the dazzling success of its Healthy Choice line of foods, Charles M. "Mike" Harper, ConAgra chairman-ceo, is *Advertising Age's* Adman of the Year for 1990.

Although ConAgra's individual brands are recognizable to most consumers, the corporate name isn't. Even many business people are unfamiliar with it.

"You can tell that we take a little bit of pride in being 'ConAgra who?' " Mr. Harper says. "We don't put our corporate name on all our packages, because we don't think it's important. If we did it, it would be only so that we could beat our chests; it doesn't do a damn thing for the consumer."

The company's Beatrice purchase symbolically helped put an end to the deal-making, megamerger-driven '80s, when many of marketing's most precious assets—consumer

(Continued on Page 16)

LAST MINUTE NEWS

'National' may add weekly

NEW YORK—*The National* is developing a weekly edition that could be launched as early as next month, sources at the sports daily said. The All-American edition will be published in conjunction with the daily. Spokesman Stephen Hammond said a weekly is one of several projects being considered but wouldn't release details. *The National* will launch a Philadelphia edition, its 11th, on Jan. 23.

Politicians sue station

ATLANTA—At least eight candidates from the 1990 election have sued a TV station here, saying they were overcharged for political spots. The suit was filed in the State Court of Fulton County by Gov.-elect Zell Miller and others against WXIA, a Gannett-owned NBC affiliate. The plaintiffs are seeking unspecified damages. The other two network affiliates here made voluntary refunds to candidates after an August Federal Communications Commission audit in five markets outside Georgia showed overcharges at 20 stations.

New finance man at JWT

NEW YORK—J. Walter Thompson Co. named Lewis Trencher its new chief financial officer in a move interpreted by some observers as an exertion of pressure by JWT parent WPP Group. Mr. Trencher, 38, who held the same post at WPP Group USA, succeeds Ed Haymes, 50, who's retiring. JWT Chairman-CEO Burt Manning denied speculation the appointment reflects the influence of WPP Chief Executive Martin Sorrell as WPP faces its own financial

(Continued on Page 8)

INSIDE

To regularly receive "Creativity," a special *Ad Age* supplement, contact *Ad Age* Circulation, 965 E. Jefferson St., Detroit 48207. 1-800-992-9970. Starts after Page 24.

Postal hike stuns mailers P. 2 • **TV nets face cuts?** P. 4 • **Promotion Agency of the Year** P. 25

NEWS SUMMARY

■ **Recession marketing tactics** in a number of industries include offering "value-price" versions of established brands rather than generic products. 1

■ **Levine, Huntley, Schmidt & Beaver** lost its chairman, Bob Schmidt, and Creative Director Tony DeGregario, bringing Harold Levine and Allan Beaver back to active duty. 1

■ **Charles M. Harper,** chairman-ceo of ConAgra, is *Advertising Age's* Adman of the Year for 1990. 1

■ **Avon Products** is testing a new program offering consumers the option of ordering products through the mail via an 800 number, in addition to its traditional "Avon lady." 3

■ **Singer Madonna** was 1990's "cover queen," appearing on more national magazine covers than any other celebrity. 3

■ **Domino's Pizza** filed objections with the networks over a Pizza Hut spot showing Domino's delivery employees ordering from Pizza Hut. 3

■ **Robert L. Edgell,** retired chairman-ceo of Edgell Communications, died Jan. 1 after what police said was a suicide plunge from his seventh-floor condominium. 3

■ **The TV networks** should know by mid-January, the cutoff for canceling second-quarter upfront buys, how much inventory they will have to resell this spring. One estimate is between 10% and 15%. 4

■ **Volvo** named three finalists, all New York agencies, to succeed Scali, McCabe, Sloves on its $40 million U.S. account. 4

■ **Carnation Co.** this month starts its first consumer advertising for Good Start formula for newborns. 12

■ **McCracken Brooks Communications,** a Minneapolis-based company, is named Sales Promotion Agency of the Year by *Advertising Age*. 25

■ **Former Iron Curtain countries** are showing a slow pace in developing new media and advertising. 29

■ **The first pan-European soap opera,** "Riviera," makes its debut next month, produced by Interpublic's EC Television and sponsored by Unilever. 29

■ **Magazine ad pages** fell 5.5% in November from a year earlier, according to Publishers Information Bureau. The 11-month total was down 4%. 32

■ **Slim-Fast Foods'** new ad campaign will be used to introduce a variety of Ultra Slim-Fast products. 38

■ **Energizer bunny ads** for the first time made the top 10 list of best-recalled ads in the *Advertising Age* monthly ad-Watch survey of ad awareness. 39

■ **Procter & Gamble** has established an Eastern European division, but the company hasn't made agency assignments yet. 41

■ **Seagram Beverage Co.** is test marketing Taos, a sparkling water drink with 5% alcohol. 43

■ **Lucasfilm Ltd.,** headed by film producer George Lucas, is using its Lucasarts Licensing unit as a merchandising arm to handle non-Lucasfilm properties as well as its own. 46

DEPARTMENTS

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Proposed rate hike stuns direct mailers

By Eric Weissenstein

WASHINGTON—The Postal Rate Commission shocked third-class mailers Friday by recommending a 25% postal rate increase for most advertising mail, which could expedite their exodus to private delivery services.

Rates for second-class mail, which encompasses most newspapers and magazines, would rise 22% under the proposal; the price of a first-class stamp would jump 16% to 29¢.

The recommendations now go to the U.S. Postal Service board of governors, which can accept the proposal or return it for further review. The board's decision is expected to be announced at a meeting scheduled for Jan. 22, a postal service spokesman said.

In defending the PRC's recommendations, Chairman George Haley said the commission "strongly disagrees with—and has therefore rejected—the [postal] service's proposal to shift yet more of the burden onto first-class and away from other classes, third-class bulk mail in particular."

The increase in third-class rates, considerably more than the 17% hike urged by the postal service, left advertising mailers stunned and infuriated, especially at the prospect of a 40% hike for catalog mailers.

"As far as I can tell, and this may sound rather harsh, it smacks of a political decision, not based on the evidence," said Gene Del Polito, executive director of the Third Class Mail Association. "It's biased against third-class and shows an anti-business sentiment."

As for increasing pressure on mailers to look for alternatives to the postal service, Mr. Del Polito said the search is on.

"Without question this increases the likelihood catalogers will take into consideration much more seriously alternatives to the postal service," he said. "We must consider getting out from under the regulated monopoly."

There was some good news for third-class mailers, however. They got increased discounts for automation, including bar-coding of envelopes and fliers, and discounts for delivering mail closer to its final destination and sorted in a predetermined sequence for easier carrier delivery.

The commission also opted to go along with the controversial

(Continued on Page 42)

Lord, HDM to merge

By Jon Lafayette

NEW YORK—Lord Einstein O'Neill & Partners has agreed to merge into HDM, effectively ending the saga of the 1988 walkout that destroyed Lord, Geller, Federico, Einstein.

Details of the deal weren't disclosed, but HDM is expected to acquire the 51% of Lord Einstein not already owned by Young & Rubicam, the co-owner of HDM with Japan's Dentsu.

Chairman Dick Lord—who with Y&R's backing led the walkout of six senior Lord Geller executives after disagreeing with Martin Sorrell, chief executive of parent company WPP Group—will become chairman-ceo of HDM's combined New York and Los Angeles offices, not including HDM Direct.

The agreement in principle to merge came after the president of HDM's office here, Patrick Hillman, left to become president-chief operating officer of McCabe & Co., the new agency established by Scali, McCabe, Sloves founder Ed McCabe.

HDM Chairman Gary Burandt said the agreement was announced earlier than expected because "with ... Patrick's departure, we might as well make it public."

D. Lord

Other management positions at the combined shop haven't been determined, nor has a name been selected for the agency.

Mr. Burandt said the combined operations in New York and Los Angeles would have billings of about $222 million.

HDM had been conducting merger discussions with other New York agencies to build up critical mass but Mr. Burandt said those talks have been put on hold until Lord Einstein can be absorbed.

Paris-based Eurocom, once a partner in HDM, withdrew from the venture and bought HDM's European operations for about $60 million last month. Eurocom had complained HDM was too small in the U.S.

Lord Einstein, 49%-owned by Y&R, was successful immediately after the '88 walkout, pulling some Lord Geller accounts and winning the $25 million Saab-Scania of America account.

The agency, however, was embroiled in protracted litigation by WPP. After paying millions in legal fees, Y&R and Lord Einstein agreed in October 1989 to pay WPP $7 million. Three months later, Lord Einstein lost Saab and billings this year amounted to just over $50 million.

Lord Geller subsequently lost all its major accounts and was merged by WPP in July into what's now Brouillard/LGFE.

There were reports Mr. Lord, 65, was resisting pressure from Y&R Chairman Alex Kroll to merge the agencies (AA, Dec. 24), just as Mr. Lord had resisted Mr.

(Continued on Page 42)

Pepsi's Pottasch to 'retire'

By Patricia Winters

The father of the Pepsi Generation is going into quasi-retirement.

Alan Pottasch, senior VP-worldwide creative at Pepsi-Cola Co., will announce during the company's annual bottlers meeting later this month that he's retiring from his duties at Pepsi North America.

However, he will remain a global consultant to Pepsi-Cola International under President Chris Sinclair, to help Pepsi breathe new life into its global advertising.

Pepsi, a minor international player compared with Coca-Cola Co., has been working to streamline its international advertising and give it a unified voice, look and sound.

Mr. Pottasch has guided Pepsi advertising for some 30 years and is widely recognized as the man behind the "Pepsi generation"—an ad slogan that since its launch in 1963 has become an international symbol of American youth and vigor.

■ **Pepsi, Coca-Cola at the Super Bowl—Page 42.**

"You're going to see that Alan [Pepsi generation] touch in a big way and in a strong way in international advertising," said Rebecca Madeira, Pepsi's public relations director.

Mr. Pottasch's day-to-day ad duties will move to David Novak, exec VP-marketing, who joined Pepsi from sister company Pizza Hut this past summer. Craig Weatherup, Pepsi North America president, is also expected to be more involved in Pepsi advertising.

Insiders said Mr. Pottasch, 63, has wanted more time for himself for a number of years but had postponed plans largely at the behest of former Pepsi CEO Roger Enrico, who moved to PepsiCo's Frito-Lay unit a few weeks ago.

Ms. Madeira said Mr. Pottasch may "entertain the idea" of taking some non-Pepsi clients. Mr. Pottasch was in the Cayman Islands and couldn't be reached for comment.

Through much of the 1980s, the team of Mr. Pottasch, Mr. Enrico and BBDO Worldwide Vice Chairman Phil Dusenberry was a seemingly invincible trio whose advertising was showered with awards. Today, only Mr. Dusenberry remains of the team, though agency executives don't expect a difficult transition, particularly since Mr. Novak worked with BBDO while at Pizza Hut. □

LETTERS

Recalls fair campaign group

Advertising Council President Ruth Wooden's letter (AA, Nov. 26) in response to Bob Garfield's cover story that called for PSAs to remind voters that political campaign spots are "almost never the whole truth" doesn't mention that over a span of several national elections the Ad Council carried a kind of "truth in political advertising" campaign on behalf of the now-defunct, non-partisan Fair Campaign Practices Committee.

FCPC was formed in reaction to public dismay (if not outrage) over the Richard Nixon-Helen Gahagan (Douglas) California congressional contest that launched "Tricky Dick" on his national political career.

The basis of the FCPC pitch was that voters should not cast their ballots for candidates who had not signed the Fair Campaign Practices pledge. In order to make such a program work, however, there needed to be an in-place FCPC grassroots infrastructure to ensure that every candidate got the word and took the pledge. Unfortunately, as public indignation over the Nixon-Gahagan episode died down, so did the infrastructure. By 1976, therefore, we were faced with the hypocritical spectacle of pledge-taker candidates playing dirty pool by accusing their opposites of unfair campaign practices when all that had really happened was that said opposites had never been asked by an FCPC volunteer to sign up. The program had to be withdrawn. Sic transit gloria mundi.

Collingwood Harris
Collingwood Harris Advertising
Baltimore

Overlooked in Detroit

I was very surprised when your Nov. 12 issue appeared focusing on Detroit, but with absolutely no mention of *All Kids Considered*, "The Family Magazine for Southeastern Michigan." Not only is our publication one of the largest parenting publications nationally, but locally we reach over 200,000 parents and educators with every issue. In October, we received the Outstanding Volunteer Award for 1990 from the Neighborhood Services Department of the city of Detroit and we are very active in the greater metropolitan Detroit area as sponsors and participants in a host of events and activities for families.

I believe that your publication was very remiss in omitting our publication from your special focus on Detroit. We are such an integral part of this community, from providing relevant information about parenting and educational resources in our area to having a major presence at several conferences and community events that focus on the family.

Alyssa R. Martina
Publisher
All Kids Considered
Southfield, Mich.

Getting incensed

In Jim Brady's column of Nov. 5, he quotes Bingham Marsh III describing "nuns carrying censors up the runway, incense rising." It would be amusing, certainly, to see a nun coming up a fashion-show runway with a TV network's broadcast-standards department on her back.

I bet Mr. Marsh was thinking of "censers," with an "e" instead of an "o" in the second syllable. Incense containers are "censers," not "censors."

Michael A. Marrero
Cincinnati

Mistreated cat

I was horrified by the ad on the back cover of the Dec. 10 issue (cat about to be sacrificed). . . . This *Penthouse* ad was an unsuitable, unnecessary and offensive addition to your otherwise respectable magazine.

The cat used in the ad had matted fur and an obvious look of discomfort on its face. . . . Adult cats should not be grabbed by the scruff of the neck. Only kittens should be picked up by that method—and only by their mothers.

Adrienne Nardo
Rockaway, N.J.

Too many labels

I just received your Sept. 26 (100 Leading National Advertisers) issue. I wonder how many other of your readers have had a similar problem whenever a *New Yorker* ad appears on the back cover.

The U.S. Postal Service apparently cannot distinguish between the mailing label you affix to your front cover, and the mailing label printed into *The New Yorker* ad. My copy of *Ad Age* took the long way to Montana, first making a stop in Bernard, ME 04612 [the address shown on the mailing label in the ad].

While I'm sure *The New Yorker* was pleased with their back-cover positioning, as a regular reader I was not pleased to receive such an important issue eleven weeks late. Perhaps *The New Yorker* and their advertising agency could be persuaded to be content with inside positions in the future.

Karalee Bancroft
President
Market/Media Analysis
Boulder, Mont.

A costly oversight

Regarding the problems facing Volvo due to their recent fraudulent advertisement: When I worked at a major consumer products company as a sales representative, we were often shown television commercials that were scheduled to run a month or more later. My question is, if, as a sales representative, I was seeing ads that far in advance (and I'm sure it's the same at Volvo), why is it that no one in management, after viewing this commercial in advance, asked, "Can our cars do that?"

At this point in time I don't see how management can blame anyone but themselves for making the ultimate mistake of assuming. It is a shame that many years of great marketing can be tarnished by such an oversight.

Ed Walsh
General manager
Main Street Marketing
Milford, Conn.

In regard to the Volvo incident, why is there so much commotion? This is not to imply that nothing was done wrong, but why is the level of indignation so high? What of other instances of fudging reality?

A current ad shows a sedan that is parachuted to the ground. I sincerely doubt that the Oldsmobile driven out of a cargo plane in the current ad would withstand a landing with just a cute scrunching of its suspension. We know that the car that landed with the smart-looking gentleman is not the one which emerges from the aircraft. If it was the same car, I believe, we would see a nice new Oldsmobile in pieces on the ground.

What of the Ford pickup commercial seen several years back which also showed a vehicle parachuted from the sky? I recall reading in the press a description of the filming preparation that detailed how the engine was removed and the heavier front axle for four-wheel drive was replaced with a plywood cutout for better balance in flight. Wood struts were fitted so as to support the normal suspension. It, too, landed with a bouncy but firm communion with Mother Earth. According to published reports, Volvo was inspired by an actual event and should have said something to that effect. I sincerely doubt that if the consumer saw "A dramatization of an actual event" we would be hearing such a ruckus.

In addition, before everyone begins throwing stones, there are many examples of similar infractions of the truth and outright deception that warrant examination by the ad industry.

Frank A. Miele
Holmdel, N.J.

A better drug message

As a recent attendee at TvB's annual conference, I viewed a videotaped report from the Partnership For a Drug Free America. In the report, Partnership Director Michael Townsend reiterated his appeal to our industry for generous PSA support and shared the good news that the campaign continued to yield significant positive results.

Earlier this year I heard Mr. Townsend speak in Seattle to a group of local broadcasters. His message then was more in-depth, but similar in tone. I vaguely recall the figure of $300-plus million worth of public service inventory as representing the broadcast industry's contribution to the cause. Research conducted by the Partnership indicated marked changes in user attitudes as a result. Mr. Townsend also offered the notion that if all the illicit drugs originating south of the border were interdicted, it would take only 90 days for those drugs to be entirely replaced with domestically-produced synthetic alternatives.

That drug use is a demand-side problem is a given. Also given is the apparent futility of the interdiction effort, despite the billions of tax dollars pushed that way. What perplexes me is why we, as broadcasters, continue to fuel the wrong message. Clearly, our $300-plus million would be better spent toward generating a citizens' action campaign to suggest that a major portion of the funds earmarked for drug-related law enforcement be reappropriated to education.

Simply stated, as goes the demand, so goes the problem. Certainly, the taxpayers have a right to know what works and what doesn't. Just as certainly, we have an obligation to tell them.

Michael Einstein
Director of business development
KING 5 TV
Seattle

List price lunacy

Sid Berstein's Nov. 19 column was, as usual, on target. I first encountered the idiocy of pricing stickers in the automotive industry when I testified some years back at the Federal Trade Commission. At the time, guidelines were being drawn up to prohibit retailers from using a manufacturer's "list price" for savings comparisons unless the list price was "the price at which the product is ordinarily and customarily sold in a particular trading zone."

FREEZE FRAME

"We got the aspirin account! A study showed our ads give people headaches."

I pointed to the auto retailer who was actually required, by law, to post a carmaker's list price. At that time, no car was sold at sticker "list price." This was in total contradiction to the FTC position. It took a long time for me to stop laughing at the FTC retort to me, that "maybe the photo industry [then under question] should get Congress to enact a special law for them, as it did for the auto industry."

Is that the way to run a business? Much less a country?

Nat Kameny
Chairman
Kameny Spitzer Felix Advertising
New York

Letters should be addressed to Viewpoint Editor, ADVERTISING AGE, *220 E. 42nd St., N. Y. 10017.*

CORRECTIONS & CLARIFICATIONS

■ The "Top 100 magazines" listing in Data File (AA, Dec. 24, P. 20) failed to include a revised figure for *Playboy*, which had revenues of $144.1 million and should have been ranked 23rd. □

ARE YOUR PROMOTIONS FLAT?

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Magazine ad page leaders

Publishers Information Bureau figures for January-November 1990.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Business Week	3,927.91	(12.6)	221,966,267	(6.9)
2	Forbes	3,654.00	1.4	156,775,900	7.8
3	People	3,207.06	(4.5)	303,819,007	5.3
4	Fortune	3,060.15	(11.7)	147,074,718	(4.3)
5	Vogue	2,750.01	(10.6)	100,257,180	8.0
6	TV Guide	2,731.96	(9.0)	294,692,219	(0.9)
7	Bride's	2,711.59	(4.0)	48,051,921	3.2
8	The Economist	2,452.93	13.1	21,406,512	27.3
9	Time	2,447.17	(2.4)	342,749,287	(0.1)
10	Sports Illustrated	2,386.01	(12.8)	298,875,353	(3.0)
11	New York Magazine	2,327.72	(14.8)	37,610,916	(9.7)
12	Modern Bride	2,176.07	2.3	35,457,671	8.1
13	Elle	2,100.74	0.4	61,618,812	9.2
14	The New Yorker	2,085.43	(1.7)	52,674,020	10.1
15	Newsweek	2,065.12	(9.5)	229,412,882	(2.0)
16	Cosmopolitan	1,999.82	(8.5)	120,563,397	3.1
17	Entrepreneur	1,854.01	13.2	18,095,396	38.0
18	Rolling Stone	1,830.92	0.9	69,271,258	6.6
19	GQ	1,824.33	(9.8)	44,593,444	(0.8)
20	U.S. News & World Report	1,796.58	(2.8)	142,931,067	3.4
21	Glamour	1,718.43	(5.6)	87,458,310	5.6
22	Architectural Digest	1,696.33	(3.4)	45,112,280	5.8
23	American Way	1,665.46	(5.7)	22,928,212	19.6
24	Good Housekeeping	1,577.46	3.2	149,660,650	12.3
25	Family Circle	1,544.96	(18.6)	126,517,247	(11.3)
26	Yachting	1,525.14	(1.6)	9,548,617	1.8
27	Town & Country	1,462.18	(2.8)	35,300,877	8.7
28	Ladies' Home Journal	1,408.01	(4.2)	101,125,219	5.9
29	Mademoiselle	1,399.66	(8.8)	45,663,550	0.6
30	Sunset	1,363.96	(2.2)	42,476,481	3.0
31	Parents	1,338.19	(3.5)	54,011,408	(0.7)
32	Vanity Fair	1,329.56	0.2	44,949,853	21.2
33	Skin Diver	1,325.63	6.0	12,391,660	11.9
34	Harper's Bazaar	1,321.38	(0.8)	34,563,352	5.7
35	Woman's Day	1,304.96	(20.8)	92,288,290	(26.2)
36	W	1,296.58	(11.0)	29,684,687	0.7
37	Travel & Leisure	1,287.52	(5.9)	53,137,606	10.9
38	Texas Monthly	1,274.48	1.0	14,599,969	9.4
39	Gourmet	1,190.21	2.6	31,569,129	13.0
40	Car & Driver	1,184.16	0.0	45,804,432	(6.2)
41	Self	1,177.21	(5.6)	43,522,443	11.3
42	Southern Living	1,173.80	(5.7)	59,740,846	4.0
43	Better Homes & Gardens	1,163.84	(11.3)	132,730,462	(5.4)
44	Golf Digest	1,161.23	(3.8)	60,013,590	3.0
45	Muscle & Fitness	1,157.94	(16.9)	19,846,191	(8.6)
46	Popular Photography	1,152.10	17.7	28,139,290	27.1
47	Seventeen	1,149.65	(9.0)	35,222,257	(5.7)
48	Esquire	1,125.33	(6.3)	35,620,685	4.5
49	San Francisco Focus	1,089.24	(6.7)	7,279,247	3.9
50	Money	1,089.10	(8.0)	68,397,508	(4.7)
51	Redbook	1,086.38	(3.8)	68,899,252	1.2
52	Inc.	1,056.58	(4.7)	43,449,508	4.5
53	Road & Track	1,049.66	(7.7)	31,316,700	(10.2)
54	Golf Magazine	1,028.79	(6.0)	35,091,967	14.0
55	Salt Water Sportsman	1,025.86	(19.3)	6,737,692	(11.0)
56	Conde Nast Traveler	1,018.07	16.6	28,205,064	33.0
57	Country Living	1,016.89	(1.2)	41,012,371	3.3
58	Metropolitan Home	1,015.40	(10.8)	32,705,113	(1.6)
59	House & Garden	990.72	8.9	24,385,060	12.8
60	Mirabella	986.14	61.0	16,145,110	141.9
61	Ebony	985.98	(7.5)	34,885,067	(0.4)
62	Jet	974.41	(5.7)	16,546,631	0.6
63	Reader's Digest	959.92	(5.4)	99,364,598	(3.6)
64	Bicycling	955.72	(6.4)	13,344,168	10.4
65	Working Woman	944.15	(10.1)	29,999,577	1.4
66	Bon Appetit	943.29	(0.7)	28,963,845	3.9
67	Four Wheeler	921.64	0.0	7,361,515	7.2
68	Financial World	917.92	28.7	21,360,595	50.0
69	McCall's	917.41	(11.4)	66,898,688	(3.9)
70	Smithsonian	875.71	(8.8)	37,730,931	(5.3)
71	New Woman	853.45	(8.9)	21,001,914	(3.5)
72	Black Enterprise	849.05	1.2	11,324,306	10.4
73	Motor Trend	845.77	(10.3)	31,016,635	3.3
74	Entertainment Weekly	801.93	—	17,142,130	—
75	Essence	799.98	(1.6)	20,263,896	12.4
76	Delta Sky	792.00	(8.3)	20,056,165	(2.7)
77	Ski	778.01	(8.2)	15,357,663	(5.1)
78	Popular Mechanics	764.14	(11.1)	24,168,110	(9.6)
79	M Inc.	763.88	(4.9)	9,248,783	1.2
80	Outdoor Life	760.96	(14.5)	23,918,696	(7.6)
81	Art & Antiques	758.73	10.8	4,770,982	27.0
82	Hot Rod	751.23	(23.9)	18,119,482	(16.4)
83	Skiing	746.77	8.4	14,575,627	(1.1)
84	Sports Afield	742.45	6.2	14,757,093	15.6
85	California	741.43	6.4	10,799,763	13.7
86	Parenting	741.13	16.7	13,089,836	51.6
87	Yankee	740.72	3.6	11,423,342	43.3
88	Field & Stream	740.22	(15.9)	32,939,874	(12.2)
89	House Beautiful	701.30	(8.0)	25,649,007	0.2
90	Premiere	698.03	4.3	12,552,974	29.2
91	Working Mother	695.31	(13.7)	16,377,959	(0.3)
92	Connoisseur	695.02	(19.1)	11,854,666	(12.1)
93	Popular Science	694.44	(22.1)	20,037,312	(19.3)
94	Southern Accents	689.91	4.1	6,870,000	13.3
95	Tennis	660.49	(9.0)	22,250,291	36.8
96	US	646.03	(7.4)	19,097,563	(7.0)
97	1,001 Home Ideas	640.91	(1.7)	18,166,757	3.6
98	Atlantic	638.69	13.3	10,844,539	24.9
99	Playboy	638.25	(5.2)	42,551,136	1.9
100	National Journal	637.50	(2.9)	4,267,070	3.1

Percent change compares January-November in 1990 with 1989. Source: Publishers Information Bureau

MEDIAWORKS

Ad pages slump in Nov.

By Scott Donaton

"The best thing about 1990 is that it's almost over—and the best thing about 1991 is that it's going to be compared to 1990," a magazine publisher said recently.

The remark underscored the cloud of resignation that hung over publishers as they closed the worst year for ad page performance in more than a decade and prepared for a year that may be even worse.

It also sums up most magazines' ad page performance for November.

Magazine ad pages fell 5.5% to 16,917.5 in November from the same month last year, Publishers Information Bureau reported. The drop—one of the year's steepest declines—left ad pages down 4% after 11 months, at 156,463.6.

More than 60 of the 157 magazines tracked by PIB posted double-digit declines in November. The performance left 71 of the top 100 PIB magazines down in ad pages after 11 months, including eight of the top 10. Twenty-seven titles showed gains while two, *Car & Driver* (1,184.2 ad pages) and *Four Wheeler* (921.6 ad pages), stayed flat.

Ad revenues—up through most of 1990—dropped 1% in November to $695 million. For the January-November period, ad revenues totaled $6.1 billion, an increase of 1.4% over the same period in 1989.

Of the top 10 ad categories, six were soft in November: automotive, toiletries and cosmetics, business and consumer services, food, travel, and cigarettes and tobacco. Cigarettes and tobacco spending took the deepest dive, totaling $273,173,842 after 11 months, a 25% decline.

Several titles took strong hits in November.

Architectural Digest's 197.6 ad pages were down 26.1% from November 1989. *Child* carried 66.1 ad pages, down 39.4%; *New Woman* had 64.5, down 34.1%; and *American Health* had 30, down 51.2%.

Business Week's November pages were down 12.9% to 491, leaving the McGraw-Hill weekly with 3,927.9 ad pages after 11 months, a 12.6% drop. *Fortune* saw ad pages plummet 31.5% to 289.5 in November. Through November, the Time Warner title carried 3,060.2 ad pages, down 11.7%.

Forbes remained the only one of the top 3 business magazines on the plus side. Ad pages climbed 7.2% in November to 470.8 and totaled 3,654 year-to-date, a 1.4% gain.

Vogue led all monthlies after 11 months with 2,750 ad pages, down 10.6%. It was followed by the North American edition of *The Economist*, with 2,452.9 ad pages, up 13.1%. *Vogue* rival *Elle* stayed virtually flat with 2,100.7 ad pages, up 0.4%.

Among other top monthlies, *Cosmopolitan's* 1,999.8 ad pages for January-November represented an 8.5% decline from the same period last year. *Entrepreneur* carried 1,854 ad pages, up 13.2%.

GQ's 1,824.3 ad pages were down 9.8%. *Glamour*, with 1,718.4 ad pages, was off 5.6%. *Architectural Digest* saw its pages fall 3.4% to 1,696.3.

Good Housekeeping, the top women's service magazine in 1990 and the only one showing ad page gains, was up 3.2% to 1,577.46. It was followed closely by *Family Circle* with 1,545 ad pages, an 18.6% decline. *Ladies' Home Journal* was third in the field with 1,408 ad pages, down 4.2%.

Despite the downfall, a number of publishers continued to post strong gains.

Financial World carried 917.9 ad pages, up 28.7%. *Parenting's* 741.1 ad pages were up 16.7%; *The Atlantic* had 638.7, up 13.3%; *Decorating Remodeling* had 360.5, up 75.9%; and *Cooking Light* had 346.3, up 11.2%. □

Consumer Linage for November won't appear; yearend figures will be published later this month.

Advertising opportunities in print:

Glamour, New York, "Fashion/-travel buy" special advertising section, April issue; ad close: Jan. 18. B&w page: $13,380; color page: $21,450.

The New Yorker, New York, "Selections" special advertising section, March 4 issue; ad close: Jan. 18. B&w 1/9 page: $3,000.

Bon Appetit, New York, "Western insider" special ad section, April issue; ad close: Jan. 21. B&w page: $9,500; color page: $13,500.

The National, New York, "Super Bowl" special editorial section, Jan. 23 issue; ad close: Jan. 21. B&w page: $8,400; color page: $11,600.

Seventeen, New York, "A guide to fashion schools" special advertising section, April issue; ad close: Jan. 21. B&w page: $29,500; color page: $42,750.

USA Today, New York, "Super Bowl XXV" special advertising section, Jan. 25 issue; ad close: Jan. 21. B&w page: $71,735; color page: $93,255.

House Beautiful, New York, "Beauty at its best" special advertising section, May issue; ad close: Jan. 23. Color page: $4,000.

Popular Mechanics, New York, "Home improvement guide" special ad section, April issue; ad close: Jan. 25. B&w page: $38,095; color page: $54,065.

Southern Living, Birmingham, Ala., "Travel Florida" special advertising section, April issue; ad close: Jan. 25. B&w page: $42,870; color page: $60,440.

Career Focus, Kansas City, Mo., "The MBA degree" special advertising section, March/April issue; ad close: Feb. 1. B&w page: $25,440; color page: $31,800.

Gourmet News, Yarmouth, Maine, "Winter fancy food shop" special advertising section, March issue; ad close: Feb. 1. B&w page: $2,600; color page: $3,375.

Self, New York, "Foodstyles" special advertising section, May issue; ad close: Feb. 1. B&w page: $32,269; color page: $48,197.

Southern Accent, Birmingham, Ala., "Accents Europe" special advertising section, April issue; ad close: Feb. 1. B&w page: $10,490; color page: $14,312.

New York Magazine, New York, "Spring fashion" special editorial supplement, Feb. 23 issue; ad close: Feb. 4. B&w page: $71,735; color page: $93,255.

Field & Stream, New York, "*Field & Stream* Jr." special editorial section, May issue; ad close: Feb. 5. B&w and color: $26,700. □

Program and business-side developments in TV and radio.

Promoting horror. NBC is in the midst of what the network believes is an unprecedented four-week promotional blitz for a single new series: the revival of the gothic horror show "Dark Shadows." The series premieres as a four-hour miniseries Jan. 13 and 14 before joining the Friday schedule at 9 p.m. (ET) Jan. 18. In addition to on-air spots and cable TV and print, the network is planning a "Dark Shadows" radio contest sponsored by one of the show's chief sponsors, Domino's Pizza; a deal with Preview Tech to show two-minute trailers of "Dark Shadows" in more than 250 Circuit City and Highland electronics stores; and promotional spots telecast near concession stands in more than 200 United Artists Entertainment Co. movie theaters.

Daytime dropouts. NBC, in an attempt to shore up its flagging daytime schedule, will drop one hour of its network daytime programming this fall, returning the time to its local station affiliates. NBC now programs 5½ hours each weekday and ranks third in the season-to-date network daytime ratings race with an average 3.1 rating and 12 share. CBS is first with a 5.5 rating/22 share, followed by ABC's 4.6/18. □

Wayne Walley coordinates MediaWorks.

Energizer hops onto top 10

By Kate Fitzgerald

Eveready Battery Co.'s Energizer bunny won by more than a hare when it hopped onto the top 10 list of best-recalled ads for the first time.

The high-profile pink bunny marched onto the scene in 1989, interrupting 15-second parody TV spots, but top-of-mind consumer recall of the ads has seemed to lag behind the bunny's fame.

In November, Energizer finally landed among the 10 best-recalled ads, tying with Toyota for the No. 7 spot in *Advertising Age's* monthly AdWatch survey of ad awarene..s.

The bunny's success was powered by a $30 million fourth-quarter TV and print campaign from Chiat/Day/Mojo, Venice, Calif., which featured new executions of interrupted parody spots.

A blitz of last-minute TV spots for the Nov. 6 elections drove political ads into first place in November, after the category placed second in October.

Anheuser-Busch's Budweiser was No. 2 in the latest survey, moving up three notches and improving its awareness for the second consecutive month. Ford placed third, while Chevrolet tied for the No. 4 slot with general automobile ads.

AT&T moved up the ranks of the top 10 in November to sixth, from eighth place in October, while McDonald's tumbled from No. 1 in October to ninth place in November. Coca-Cola placed No. 10.

The shake-up in the top 10 also included the disappearance of Nike, which appeared on the list for eight consecutive months since last March.

AdWatch is a joint project of *Ad Age* and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days. In November, 1,000 adults were polled by phone. The survey's margin of error is plus or minus 3.1%. □

For more information, contact the Gallup Organization, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness Top 10 in November

In November, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind?

Rank 11/90	Rank 10/90	Advertiser	Agency
1	2	Political ads (general)	Various
2	5*	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/-DDB Needham Worldwide
3	7	Ford	J. Walter Thompson USA
4*	4	Chevrolet	Lintas:Campbell-Ewald
4*	3	Automobiles (general)	Various
6	8	AT&T	N W Ayer/Ogilvy & Mather/-Young & Rubicam
7*	—	Toyota	Saatchi & Saatchi DFS/Pacific
7*	—	Energizer	Chiat/Day/Mojo
9	1	McDonald's	Leo Burnett USA
10	9	Coke/Coca-Cola	McCann-Erickson Worldwide

*Indicates tie. Source: Gallup Organization, Lincoln, Neb.

Yearn-to-Learn ad entries due

NEW YORK—Sell a teen-ager something money can't buy: an education.

That's the challenge posed by the third annual Yearn-to-Learn Challenge. Sponsored by Crain Communications Inc.'s *Advertising Age* and Scholastic Inc., the competition is designed to enlist advertising and marketing talent in the effort to counter the nation's 30% high school dropout rate.

Entrants in the Challenge create ads encouraging teen-agers to complete their high school education. Five winning ads will be selected to appear during the 1991-92 school year in the Scholastic Teen Network of magazines: *Junior Scholastic, Scholastic Choices, Scholastic Update, Scholastic Voice* and *Science World*. These publications reach 11 million junior and senior high school students nationwide.

The winning ads will also appear in *Advertising Age*. The overall winner will be announced this spring as part of *Ad Age's* annual awards reception in Chicago. Ten certificates of merit will also be awarded.

Entries will be judged by a panel of educators, representatives of the advertising and marketing communities, and high school students.

"We're proud to once again provide the vehicle that brings these ads from agency drawing boards to the desks of the nation's junior and senior high school students," said Michele S. Magazine, senior VP, Scholastic Inc. Magazine Group.

Added Rance Crain, CCI president and editor in chief of *Ad Age*: "Our support of Yearn-to-Learn is stronger than ever. We continue to look upon these ads, directed to teen-age students, as imperatives in the ongoing effort to keep them in school. We must convince them that education is their ticket to a productive, good life in our society."

The creative work for the Yearn-to-Learn Challenge brochure and a page ad in *Ad Age* was donated by Cadwell Davis Partners, New York. Bradley Printing Co., Chicago, donated brochure printing services.

Deadline for Yearn-to-Learn Challenge entries is March 6. Entries may be in b&w or color and must be suitable for classroom use.

Entry kits are available from Stephanie Feuer, public relations manager, Scholastic Inc., 730 Broadway, 10003. Phone: (212) 505-3419. □

Eurocom bares logic behind its nude ad

By Bruce Crumley

A new, racy Eurocom Advertising print ad touting the agency's size is causing a big reaction, particularly in the U.S.

The ad—showing a nude woman on her stomach with her upper body propped up by her elbows—was captioned: "Can an advertising network founded in France be successful worldwide?"

The only other copy: "Eurocom Advertising. No. 1 network in Europe and No. 9 in the world," a reference to Eurocom's pullout from HDM and its purchase of the HDM network's European offices (AA, Dec. 17).

While some Eurocom people consider the ad too racy, the decision to use nudity had both humorous and very serious designs, Eurocom executives said.

The serious side, said a Eurocom spokeswoman, was to get the message across loudly and quickly, without having to rely solely on information that would make the ad too dry (such as the network being Europe's largest and ninth in the world).

In this case, she said, getting attention took priority over questions of creativity.

The partly humorous side, said Eurocom Chairman Alain de Pouzilhac, was to assert what many foreigners find as French advertising's typical over-reliance on flesh.

"A lot of people fault French advertising for this [nudity]," he said. "And this is part of the reason for using this girl. We are asking if this French [-founded] network can work elsewhere. And our answer is yes. I think people will look at this ad and remember it."

The ad ran in the French press as well as marketing publications including *Advertising Age*.

To further focus on the fact that irony has a place in advertising, the ad could have also mentioned that the model baring it all for the French-founded network happens to be an American. □

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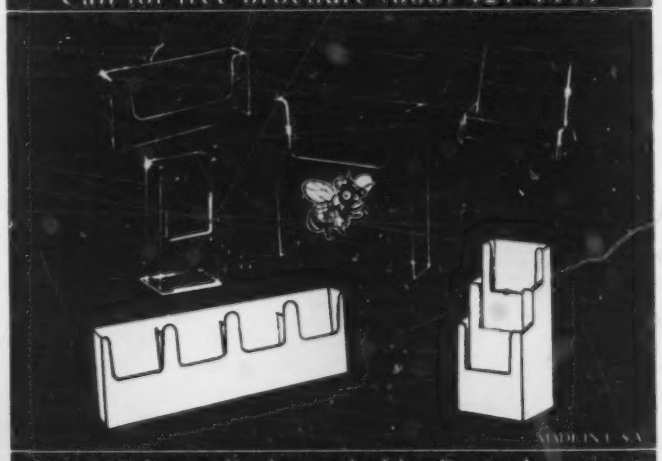

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FOR INFORMATION

on registering or exhibiting contact: Retail Advertising and Marketing Assn., 500 N. Michigan Ave., Suite 600, Chicago, IL, 60611 Phone 312/245-9011 Fax 312/245-9015

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NEWSPAPER

Advertising Age

January 14, 1991

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Gulf war could delay Super Bowl

War anxiety grows; marketers regroup

By Scott Donaton and Wayne Walley

The National Football League is considering the postponement of Super Bowl XXV, the year's largest and most visible advertising vehicle, if war breaks out in the Persian Gulf.

An NFL spokesman said league executives have discussed what would be an "appropriate response" if the Gulf crisis escalates into armed conflict.

Greg Aiello, NFL director of communications, wouldn't discuss specific options but acknowledged that the Super Bowl could be postponed in the event of war.

"We are considering everything, and it depends on the circumstances," he said. "At this time, we really don't know what might happen."

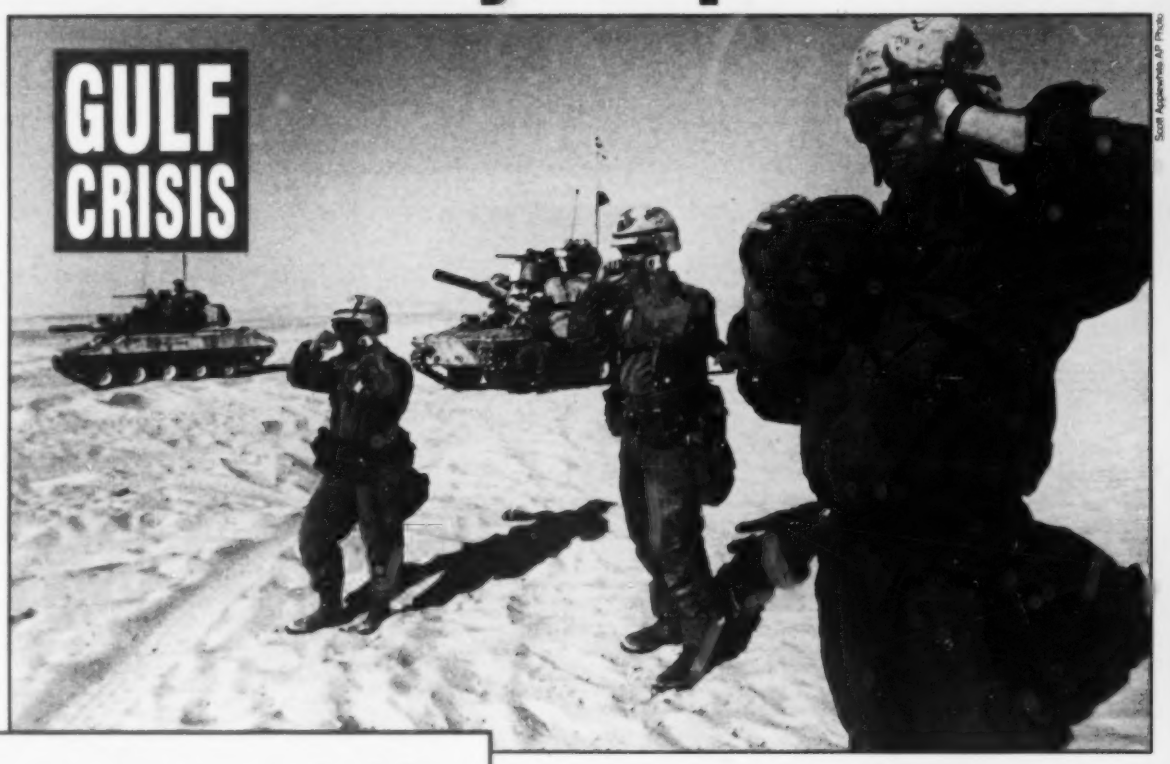
The Jan. 27 game in Tampa, Fla., is to be telecast on ABC. ABC executives couldn't be reached for comment.

Historically, sports and entertainment events have continued through war and have been considered vital, Mr. Aiello said.

"Sports in the past have been good for the morale of troops," he said. "It shows things are normal back home, and they like to know what their team is doing."

Several Super Bowl advertisers said they had [illegible]

(Continued on Page 42)



Scott Applewhite AP Photo

Carmakers set to shift

Oil fears propel new selling strategies

By Raymond Serafin

Carmakers are changing tactics to cope with hard times that could only worsen with oil shortages accompanying a Persian Gulf war.

The glitz of the new year's first two major auto shows in Los Angeles and Detroit couldn't hide the underlying pessimism that new car and truck sales will remain weak at least until spring.

A late-year 1990 slump caused by the worsening economy dragged down total new car and light-truck sales; industry sales fell 4.8% to 13.8 million units last year.

Auto marketers now are trying to stay flexible in case a war changes the availability and price of oil.

"There's a lot of 'what ifs' going on right now," said Joseph Hendrix, general marketing manager of General Motors Corp.'s Pontiac division. "There's a big fork in the road coming up on the 15th of January."

Said Dannielle Colliver, advertising manager-cars for GM's Chevrolet division: "We're poised to shift [media] scheduling and funding to different products as may be appropriate."

As an example, "If the Middle East situation would affect the sale of large cars, you could see our funding moving to some of the intermediate

(Continued on Page 43)

Ground wars

- Big 3 automakers poised to shift media schedules and messages.
- Fuel economy emphasis.
- New leasing programs.

Several airlines face crash dive

By Jennifer Lawrence

If war breaks out, U.S. airlines could face an unprecedented economic crisis sure to change the profile of the air transportation industry.

Carriers are already being squeezed by higher jet fuel prices, a slowdown in demand and overcapacity. And the airline picture could become even bleaker—depending on the outcome of the Iraq conflict.

A war is virtually certain to boost fuel costs to possibly record levels. The devastation to airlines will depend on how long a conflict lasts.

The crisis has already claimed two airline victims.

Last week, Pan Am Corp. filed for federal bankruptcy protection

(Continued on Page 43)

Air battles

- Pan Am falls victim.
- Little hope for Eastern.
- American, United, Delta expected to gain market share.

LAST MINUTE NEWS

CPC gets RICO win

PHILADELPHIA—The advertising industry won another round last week when a false-advertising suit filed here under the Racketeer Influenced & Corrupt Organizations Act wasn't allowed to proceed against CPC International.

At issue were ads for Mazola oil and margarine from Saatchi & Saatchi Advertising, New York. Attorneys for CPC said the ruling, following a similar decision in a suit against Nutri/Systems diet programs, might spell the end of all RICO-based false-advertising suits. By refusing to grant class action status to the suit, U.S. District Judge Louis Bechtle effectively eliminated the financial incentive for pursuing the case against CPC. The attorneys also noted Judge Bechtle is the district's chief judge, so his ruling is likely to be followed by other judges in similar suits.

Bank of America review

SAN FRANCISCO—Bank of America is reviewing its estimated $25 million account at Grey Advertising. The review was prompted by "an ongoing evaluation of our marketing efforts and the changing economy and changing

(Continued on Page 8)

INSIDE

GE, Rubbermaid show there are two ways to go green

See Page 6

Nestle reviews media P. 3 • **Catalogers race for alternatives** P. 6 • **Why McKids stores failed** P. 8

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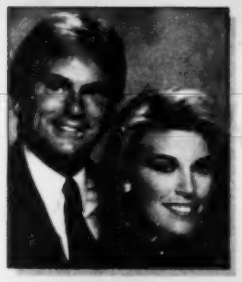
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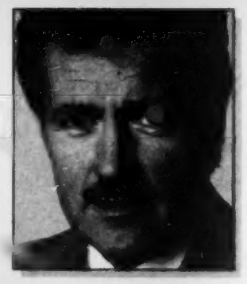
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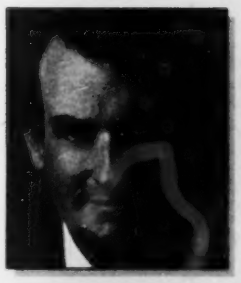
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NEWS SUMMARY

■ **The threat of war** has marketers studying contingency plans. The NFL said it may consider postponing the Jan. 27 Super Bowl if war breaks out. **1**

■ **Carmakers** worried about oil shortages accompanying a Persian Gulf war are keeping marketing plans flexible. **1**

■ **U.S. airlines** face a deepening economic crisis if war erupts in the Middle East. **1**

■ **Nestle USA** will consolidate media buying for its estimated combined $300 million annual ad budget. **3**

■ **Saatchi & Saatchi Co.** has proposed a recapitalization package that would remove the need to sell any of its agencies. Shareholders must approve the plan, which includes a new share issue that would dilute their stakes. **3**

■ **Use of 15-second commercials** on network TV declined last year, according to preliminary estimates. **3**

■ **Nike** will introduce its Air 180 running shoe globally, starting Feb. 1. Ads break on the Super Bowl telecast. **3**

■ **Ragu Foods** is adding Chicken Tonight jarred sauces, its first extension beyond spaghetti and pizza sauces. **4**

■ **Time Warner** will test a weekly, standard-magazine-size version of *Life*. **4**

■ **Del Monte Foods** next month begins a $50 million marketing introduction of its Vegetable Classics line. **4**

■ **Dentsu Corp. of America,** New York, the U.S. office of Tokyo-based Dentsu, faces a complaint by five former non-Japanese employees charging discrimination based on national origin. **4**

■ **GE Lighting and Rubbermaid** are introducing products tied to environmental concerns, but with sharply differing marketing approaches. **6**

■ **Catalog marketers,** facing mailing cost increases of up to 40%, are studying a number of business changes, including a shift to alternate delivery systems. **6**

■ **General Mills** will market Yoplait refrigerated pudding as a pudding with active yogurt cultures. **6**

■ **Kirshenbaum & Bond,** an agency known for its controversial ads, has added $15.5 million in new business. **39**

■ **Buena Vista Home Video** will back release of the video "Classic Stuff: The Adventures of Rocky & Bullwinkle" with a $15 million to $20 million marketing campaign. **40**

■ **National Advertising Division,** the industry's self-regulation arm, persuaded Johnson Controls to revise ads for its recycled plastic containers. It was one of nine cases NAD handled in December. **40**

■ **News Corp.** says its Murdoch Magazines titles aren't for sale, despite interest expressed by other publishers. News Corp. debt restructuring is to include the sale of some assets, but the company said that wouldn't include magazines. **41**

■ **Levi Strauss & Co.** will advertise on the Super Bowl telecast for the first time, promoting Dockers men's wear. **41**

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AD REVIEW

Famous faces put new fizz in familiar idea for A&W soda

(Rating: ★ ★ ★ ½)

By Bob Garfield

Garfield

It was a conceptual twist with every chance to fail. Likely to fail. Destined to fail.

A&W Brands' new TV commercials, the company announced, would be "humorous" spots-within-spots about the making of TV commercials. What a dramatic thought—the drama being to see what insipid twist on a bankrupt old idea Della Femina, McNamee, New York, would trot out.

Pirandellian self-consciousness in a TV commercial is a concept so fresh that it had never been done before, except by every car dealer and furniture store in the Western Hemisphere. Among others. In all of recorded history, the joke has worked about twice.

Alka-Seltzer's classic "Speecy Spicy Meatballs" in the '60s established the standard for the genre. Only lately has the Energizer bunny expanded the frontier. In the interim, most everything else has been dreadful. Self-consciousness is a poor substitute for substance. If you have nothing important to say and no fetching way to say it, better to hire a blimp with Your Logo Here.

So let's just say that the A&W announcement wasn't what you'd call a confidence builder. Complicating matters, the declared intention to use familiar figures from previous TV commercial campaigns suggested a clumsy use of borrowed interest in the bargain. This is a campaign, not to put too fine a point on it, that promised to stink.

It doesn't.

These are hilarious, ingenious, eye-catching ads that will succeed in doing precisely what they aim to do, which is leverage about a $9 media budget through other advertisers' hundreds of millions of dollars investment in ad-character development.

All three spots are wonderful, but the best is called "Fingers," which opens on the set of a commercial shoot with the director giving the talent instructions on what to say. The shot is a close-up of A&W diet root beer and diet cream soda cans, plus two frothy mugs.

"Pick up the glass," the off-camera director tells his actress, "and say, 'When I want a diet soft drink, nothing beats the smooth, light vanilla taste of A&W Diet Cream Soda and rich, creamy Diet A&W Root Beer with 100% NutraSweet.' "

"Got it," the actress says, also off-camera.

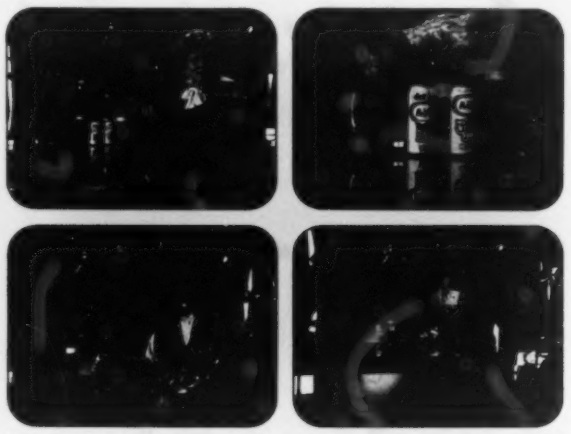
"Good," says the director. "And [the slate is clapped to mark Take 1]. . . action!" But the actress doesn't deliver her line; she dips her hand into the root beer.

"Cut!" says the director. "Just pick it up. Let's try again. [Slate, Take 2.] Action!" But this time she dips her hand into the cream soda.

"No, no. Just pick it up. [Take 3.] Action!" Again, into the root beer.

"No, no, no, no. Cut!" (Take 4, cream soda.) "No, no, no, no." (Take 15, cream soda.)

And so on, bad take after bad take. Finally, the exasperated director squeaks, "No! Cut! Why do you keep doing that?" At this point, the camera pulls back to reveal that the actress is Jan Miner, whom we know as Madge the Manicurist from 25 years of Palmolive dishwashing liquid commercials. She's in her blue manicuring smock, and she seems puzzled, too.



Madge the Manicurist's new finger fetish is a mugful of A&W root beer, while Mr. Whipple enjoys squeezing aluminum. Mr. T also stars in this ingenious effort.

"I have no idea," she says.

But we do, of course, because we've had to stomach Madge and her Palmolive-soaked clients since about the Gulf of Tonkin incident, and if we had the choice of never having seen her or never having pressed the Vietnam War, we'd have some serious soul-searching to do.

Thus the cunning of the spot, and of the other spots featuring Dick Wilson (Mr. Whipple) and Mr. T (Mr. T). All create powerful, instant bursts of recognition and amusement—with the product (credit art director Marian Godwin) at center stage 100% of the time. Maybe A&W can buy only $9 worth of time, but Palmolive and Charmin and the A-Team, in effect, have contributed a half-billion dollars in pre-publicity. And because the editing (Phil Messina), direction (Mark Chiat) and copy (David Leinwohl) are so punchy, economical and deftly timed, the viewer will gladly wait 30 seconds for the payoff, which these days is half the battle.

Still, in a sense, the campaign does achieve its destiny. Madge, Whipple and T have been unfailingly annoying me for decades. This time, they failed. □

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

Nestle media

(Continued from Page 3)

to anything until we see the recommendations of the agencies," he said.

Plans for a media consolidation were under way months before Nestle in November announced it was setting up the holding company for Carnation, Nestle Foods Corp., Stouffer Foods Corp., Nestle/Hills Coffee Co. and other, smaller food units (AA, Nov. 19).

Nestle USA, with sales of more than $7 billion, covers the biggest single market for the $30 billion-plus Swiss giant, the world's biggest food marketer.

Nestle USA companies have already consolidated parts of their media work in recent years.

Carnation uses Lintas New York for all network TV buys and the Bloom Agency, Dallas, for spot TV buys. But those agencies' connections were weakened last year when Carnation dropped them as creative agencies and reassigned its brands.

Lintas since last spring has also handled Nestle Foods' daytime network TV buying. Nestle Foods and Carnation have channeled print buying through Della Femina, McNamee, Pittsburgh, for about three years, Mr. McMennamin said.

Nestle USA's major agencies are New York shops McCann-Erickson Worldwide; Jordan, McGrath, Case & Taylor; and J. Walter Thompson USA; as well as Dailey & Associates, Los Angeles, and Tatham-Laird & Kudner, Chicago.

Even with the consolidation, it's possible some buying, such as spending by a smaller unit, may not be consolidated, Mr. McMennamin said.

Mr. Crull said few creative assignment shifts are likely in the wake of Nestle USA's Jan. 1 start-up.

The creative agencies, which would also handle media planning, will be paid a commission based on the amount of media behind their brands, Nestle USA said; agencies of record for media placement will be paid on a fee basis.

Even with the change, Nestle USA will play no direct role in media buying. Each unit will deal independently with the agencies handling the consolidated media buying, Mr. McMennamin said.

"We have to assure the operational companies get proper response, timeliness, level of detail, etc. from the buying agency," he said. "A centralized control would not do the process justice. . . . We strongly believe in the operating units, so we want to give them the responsibility."

Nor will Nestle USA play a direct role in designing agency incentive compensation programs, long championed by its parent.

Each operating unit will decide whether and how to use incentives, said Mr. McMennamin, who earlier implemented an incentive program at Carnation.

"I will say without reservation that incentives work very well with advertising agencies, like they work very well with anybody else," Mr. Crull said. "The agency community overall may not have liked it when we announced it, but it's been successful."

And Mr. McMennamin said, "The thing that's similar [among all units] is that they do believe in incentivizing their agencies." □

Gary Levin and Judann Dagnoli contributed to this story.

Air 180

(Continued from Page 3)

ber of different languages, the other commercials in the campaign are being done without spoken language.

Title cards identifying Nike and promoting the Air 180's worldwide availability will be used, translated into various languages. Ads will use the company's "Just do it" theme of the past three years.

Tokyo-based Dentsu will handle Asian media buying and planning for Nike and CIA International, London, is doing European media planning and placement. SFM Media, New York, buys media for Nike in the U.S.

A global product launch "is a great drill for any company . . . as you move toward a global economy," Mr. Bedbury said.

Introducing the Air 180 globally instead of launching it in the U.S. and rolling it to other parts of the world during a longer period of time will give Nike more time to build sales before rivals copy the product, said John Horan, editor of *Sporting Goods Intelligence*, an industry newsletter.

Observers say the real potential for growth for Nike, which leads the $5.55 billion U.S. branded athletic shoe market with a 28.4% share, is overseas.

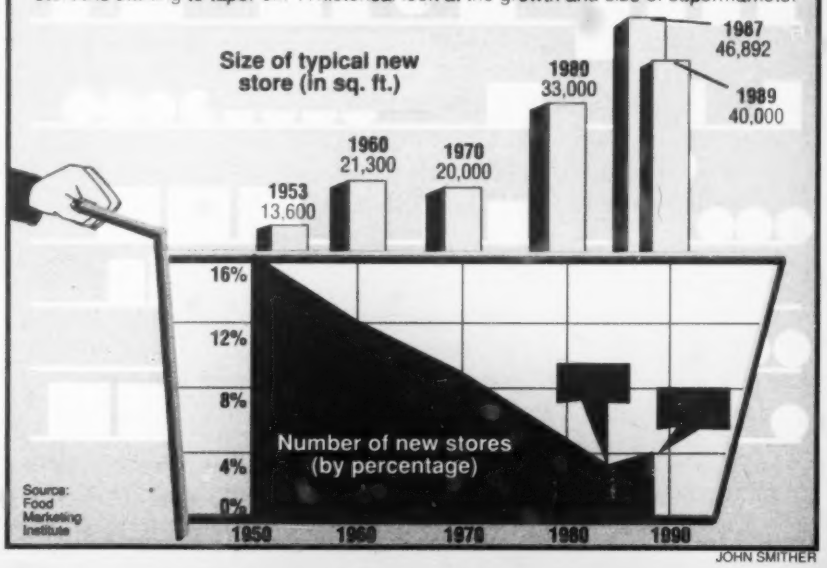
"I don't think people realize what [big business] they're going to do in Europe in the next three years," Mr. Horan said.

Nike won't continue to get the U.S. growth rate it's had in the past, he said. The U.S. market's growth was 20% to 25% annually in the mid-1980s, but is expected to slow to 6% to 7% this year, Mr. Horan said. □

DATAWATCH

Shrinking markets

Supermarket size reached an all-time high in 1987, but the square footage of new stores is starting to taper off. A historical look at the growth and size of supermarkets:



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Advertising Age

January 21, 1991

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Marketers slash ads as war erupts

CNN Gulf coverage shines

Crain News Service

CNN President Tom Johnson stood in the CNN Center newsroom in Atlanta Jan. 17, gripping a thick war coverage briefing book, and said what the world had found out the night before.

"There was no situation room in this country that was better prepared than this one was."

Indeed, Turner Broadcasting System's Cable News Network rocked the world Jan. 16 with chilling live reports by Bernard Shaw, John Holliman and Peter Arnett from Baghdad's Al-Rashid

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Foreign market adjusts

An Advertising Age roundup

The Persian Gulf War is starting to have an impact on marketing outside the U.S.

From Europe to the Pacific to the Middle East, marketers, media and agencies are rethinking marketing efforts and travel and other policies.

Last week, Kaiser, a major Berlin supermarket chain and advertiser, pulled a print campaign for U.S.-made products from local newspapers, fearing terrorist reprisals. The ads highlighted products including Coca-Cola, Jim Beam bourbon, Dole, Sun-Maid

(Continued on Page 52)

Ad industry pauses

Executives last week faced many decisions on what to do with their ads

'A step at a time.'

■ "We'll have to take it a step at a time and see what we'll do." —**Paul Mulcahy, VP-advertising, Campbell Soup Co.**

Beware of 'backlash'

■ "I don't think [advertising is] proper. There's a backlash potential, and you have to ask, what would you gain from it?" —**Louis Schultz, exec VP-director of media services, Lintas:USA**

'Greater realism' in ads

Glenn Treat

■ "I think you'll see a much greater sense of realism in terms of soberness and fundamentalism in advertising." —**Shirley Young, VP-consumer marketing, General Motors Corp.**

No 'inappropriate' ads

■ "Most of the things we're discussing with our clients is making sure that at this particular point we're not running anything that would be inappropriate." —**William Weithas, chairman-ceo, Lintas:Worldwide**

An Advertising Age roundup

Marketers are distancing their brands from the Persian Gulf crisis as quickly as they can—even if it means not advertising the brands at all.

Some are pulling spots and abandoning ad schedules entirely.

GULF CRISIS

United Airlines will review its ad plans on Jan. 23, having told agency Leo Burnett USA, Chicago, to pull virtually all its advertising Jan. 16, including ads slated for both of yesterday's National Football League championship games on CBS and NBC.

"As people sit and watch all this war news, no one is interested in making thoughtful consideration of an airline purchase," said John Ruhaak, United VP-advertising. "Advertising has lost its effectiveness [temporarily]."

The slew of advertisers that won't air spots during news coverage of the war include such leading national advertisers as Procter & Gamble Co.; Sears, Roebuck & Co.; Pepsi-Cola Co.; McDonald's Corp.; and Pizza Hut.

The list also includes Toyota Motor Sales USA, American Isuzu Motors, Miller Brewing Co., Eastman Kodak Co., Ford Motor Co., Hershey Foods Corp., AT&T Co. and American Express Co.

Most of the marketers will continue to run advertising during regularly scheduled programming, however.

Advertisers said they would work with the networks to come up with make-goods for ads pulled for commercial-free war

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War bleeds nets of millions a day

By Wayne Walley

The Persian Gulf War has thrown TV ad schedules into chaos and is taking a financial toll, particularly on the Big 3 networks.

The cost of the conflict to networks in lost ad revenues, and war coverage expenses could mount to tens, or even hundreds, of millions of dollars if round-the-clock coverage of the conflict is needed for an extended period.

Estimates of ad revenue losses ranged from $1 million to $3 million per day per network.

ABC, CBS and NBC last week began asking whether advertisers would consider running spots in special war coverage or agree to re-express the money slated for regular programming at a later time.

Ironically, the lost inventory could actually benefit the networks by tightening what's been a soft first-quarter scatter market.

"Overall this might help the networks," said Louis Schultz, exec VP-director of media services for Lintas:USA, New York. "The pre-emptions give much attention to network news. And the make-goods will use up inventory that would have been difficult to sell in a soft marketplace."

"When you take $9 million a day out [of the networks], yes, that's going to have an impact on inventory. . . . A soft market has been artificially tightened by the shifting of spots," said Mike White, exec VP-director of the media department at DDB Needham Worldwide, Chicago.

ABC, CBS and NBC also asked advertisers last week to delay de-

(Continued on Page 54)

LAST MINUTE NEWS

Dannon yogurt review set

WHITE PLAINS, N.Y.—BSN-Gervaise Danone has put its $10 million Dannon yogurt account, now at HDM, New York, up for review. Dannon's French parent, BSN Groupe, is a client of Paris-based Eurocom Advertising. Eurocom recently pulled out of HDM, a joint venture with Young & Rubicam and Dentsu. The Dannon loss comes as HDM is trying to finalize a merger with Lord Einstein O'Neill & Partners, partly owned by Y&R. Dannon is believed to be talking mainly to agencies with French affiliations.

Knapp spikes sale rumor

LOS ANGELES—Knapp Communications Chairman-CEO Cleon T. "Bud" Knapp last week distributed a two-page memo to employees denying a wave of rumors. Mr. Knapp said it's not true the company will be sold to Hearst Magazines. He also denied that *Home*—which recently dismissed its general manager and 13 staffers—is on the verge of closing but said the title is being evaluated by acting General Manager Evelyn Carlson. Finally, Mr. Knapp said neither he nor the company plans to invest

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INSIDE

Robert Edgell: The life of a consummmate deal maker

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WPP pressures for more cuts P. 6 • **Special Report: Autos drive for niches** Starts after P. 38

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NEWS SUMMARY

■ **Marketers** distanced themselves from the Gulf war coverage, as most pulled advertising. **1**

■ **Outside the U.S.,** marketers and media are changing plans because of the Gulf war. **1**

■ **Family Media** ended publication of *Savvy Woman* and put at least four other magazines on the block. **3**

■ **General Motors** has signed a seven-year deal with CBS for advertising on NCAA basketball coverage. **3**

■ **Tribune Co.** said it will sell or close the New York *Daily News* if it can't reach agreement with unions. **3**

■ **Folgers Singles,** coffee bags that resemble tea bags, have moved into major new markets. **3**

■ **Pillsbury Brands'** Lovin' Lites reduced-fat baking mixes and frostings, and similar products from General Mills under the Betty Crocker name, will roll national soon. **4**

■ **Burger King** is extending its value pricing strategy and will tie in with the movie "King Ralph." **4**

■ **Dale Lang,** chairman of Lang Communications, is negotiating to buy full control of *Working Woman* and *Working Mother* from Time Warner. **4**

■ **WPP Group** is pressuring its agencies, including Ogilvy & Mather and J. Walter Thompson Co., for staff cuts. **6**

■ **Omnicom Group** is buying a minority stake in London agency Abbott Mead Vickers. **6**

■ **The baby toiletries market** grew 12% to 15% last year, and a number of new rivals are challenging category leader Johnson & Johnson. **16**

■ **Saturn Corp.** said it's meeting the sales goal of attracting buyers who would have bought imported cars. **20**

■ **Lexmark International,** a company spun off by IBM to market its typewriters and printers, plans to double ad spending to $20 million this year. **20**

■ **Diet cola leaders** Diet Coke and Diet Pepsi will drop comparative taste-test claims in advertising. **24**

■ **Cahners Publishing Co.** reportedly laid off some 200 employees from its 2,200-member work force. **48**

■ **False-advertising suits** filed under the RICO Act may have been undercut by two recent court rulings. **51**

■ **Ad agency executives** said a short war would mean a quick return to normal business and could be a tonic for the lagging economy. **53**

■ **Videogame marketers** are preparing for another year of record sales. **55**

■ **Kraft USA** will roll out two more fat-free products, Kraft Free mayonnaise and Miracle Whip Free salad dressing. **55**

■ **Wilkinson Sword USA** dropped it spring ads for Ultra Glide after a court ruling that its comparative claims were false and misleading. **56**

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Abbott sale could help Scali buyback

By Gary Levin and Laurel Wentz

NEW YORK—Omnicom Group plans to buy a minority stake in Abbott Mead Vickers, London, a move that could speed WPP Group's spinoff of a majority stake in Scali, McCabe, Sloves.

Omnicom is expected to announce early this week that it will buy the 22% stake in Abbott now held by Scali for a price estimated at slightly more than $10 million. Omnicom would then merge its small London office of BBDO Worldwide into Abbott. BBDO and Abbott have few client conflicts.

Abbott last week acknowledged negotiations with Omnicom that "might result in a closer relationship." Deputy Chairman Adrian Vickers would say only that any deal wouldn't cause a change in the agency's management.

"If it's good for my partners [at Abbott], I would entertain selling it," said Marvin Sloves, chairman-ceo of Scali. "Obviously, I can't sell any asset without [WPP Chief Executive Martin Sorrell's] approval. I have not talked to Omnicom" directly about such a sale, Mr. Sloves added, indicating that the talks were taking place with WPP, which owns 80% of Scali and would get that percentage of the sale's proceeds.

Sources say cash from a sale would help ease WPP's financial pressures and spur progress on Scali's buyback from WPP. Removing the Abbott holdings would lessen Scali's sale price.

Mr. Sloves minimized the strategic importance of Abbott to Scali's other offices but stressed asset sales weren't a condition for the buyback.

"We've not abandoned the buyback, and we're not against another party coming in if they have money," he said. "We're open to every option," including a self-financed buyback, "and we're continuing conversations with a number of outside people."

WPP declined to comment on Abbott, and officials at Omnicom and BBDO didn't return calls.

For Omnicom, the move would cap a long search for an agency to bolster BBDO's London operation, which has been plagued by rapid management turnover and an inability to win accounts.

BBDO ranks just 42nd in the U.K. with 1989 gross income of $7.9 million. Abbott is more than three times larger, ranking 16th with 1989 gross income of $25.8 million.

"One of [Omnicom's] imperatives for a while has been to enhance BBDO's competitive position in the U.K. market," said Greg Ostroff, analyst at Goldman, Sachs & Co.

Omnicom acquired London agency Boase Massimi Pollitt in 1989 to revive BBDO, but BMP instead insisted on merging with Omnicom's other agency, DDB Needham Worldwide. The operation is now known as BMP DDB Needham Worldwide. □

Sorrell wants deep cuts at O&M, JWT

By Gary Levin

WPP Group Chief Executive Martin Sorrell is seeking to cut costs quickly by pressuring his agency units to reduce their work forces, possibly by as much as 5% worldwide.

Mr. Sorrell has ordered top executives at Ogilvy & Mather and J. Walter Thompson Co. to list employees who can be dismissed without major impact on client businesses, say sources familiar with his plans.

Hundreds of the agencies' estimated 15,000 staffers are expected to be affected, and Hill & Knowlton also may be involved.

Savings from the anticipated layoffs are said to be built into first-quarter budgets and must be completed by March 31 to stick to budgets and satisfy WPP's lenders.

U.K. accounting rules allow the costs associated with layoffs, including severance payments, to be taken before they're actually made.

Those targeted are said to include regional directors in the administrative, account management and financial areas whose jobs are duplicated within the agencies or at WPP itself.

Most of the layoffs are likely to occur outside the U.S., where the units have been more vigilant in belt tightening, the sources say.

Burt Manning, chairman-ceo of J. Walter Thompson Co., and Graham Phillips, chairman-ceo of Ogilvy & Mather Worldwide, didn't return calls seeking comment, and it was unclear to what extent the two executives would resist the dismissals.

Salaries alone now account for nearly half of WPP's total operating costs of $1.8 billion.

The cuts are consistent with WPP's financial problems and stern warnings from Mr. Sorrell in letters sent late last year to operating unit chiefs as they prepared their 1991 budgets.

WPP has told analysts its 1990 pretax profits would be 18% less than originally anticipated due to unforeseen weaknesses in fourth-quarter revenues. Mr. Sorrell wrote that the first half of 1991 would continue to be "extremely difficult" for WPP.

"In these circumstances and bearing our overall position in mind, it is essential that all costs are conservatively budgeted and that staff costs in particular are held down or reduced," he wrote. "There still are significant inefficiencies, duplication of costs, unnecessary levels of management, and unnecessary overheads and coordinating units."

"There still are significant inefficiencies, duplication of costs, unnecessary levels of management, and unnecessary overheads and coordinating units."

For example, JWT USA's staff includes a chairman, a vice chairman, a president, a ceo and a North American ceo.

O&M has already begun removing management layers, particularly in New York, but more steps will be needed. The agency has been unsuccessful at winning new business and hasn't been able to lease out excess office space.

"I expect there to be some significant reductions in overhead coming in the next few months as part of the plan to recapitalize and downsize in a recession," said Greg Ostroff, analyst at Goldman, Sachs & Co.

"The situation at yearend [1990] was about in line with what they thought it would be in November," when WPP announced its lower profit expectation, said James Dougherty, analyst at County NatWest Securities USA.

But holders of WPP's $620 million in debt are forcing Mr. Sorrell's hand in cost cutting and eliminating the company's common dividend, a move Mr. Sorrell is said to have resisted.

"At the moment, WPP feels its main constituency is the banks, not the shareholders," Mr. Dougherty said.

Already, Mr. Sorrell has reduced his corporate staff, laying off two U.S. executives charged with cross-selling WPP services to clients.

"I think it was necessary and correct for WPP corporate, through its own [cost cutting] actions, to signal the type of cost savings and retrenchment it wished to see from its operating units," said John Quelch, a WPP director and professor at Harvard University's Graduate School of Business Administration.

"We're not asking the operating units to do any more or less than WPP corporate has done in the last month in terms of evaluating costs and overhead," Mr. Quelch said. "The pressures for improved productivity that WPP is requiring of the operating units will actually serve, in my opinion, to make the operating units stronger in the long term and better able themselves to successfully negotiate the uncertain economic conditions that exist in 1991." □

Agency staffing keeps even keel in '90

By Gary Levin

Staffing levels for the top 10 U.S. agency employers held steady at yearend even as the ad business contracted sharply in the latter half of 1990.

An *Advertising Age* survey of the 10 agencies with the largest U.S. staffs showed total employment was up just 0.2% to 21,476 from April levels, despite a difficult fourth quarter and a bleak outlook for at least the next several months.

Last April, the *Ad Age* survey showed total employment was 21,438, a 0.4% decline from the previous October. The figures don't represent total U.S. ad agency employment, which by most accounts has been on a steady decline for the past few years.

An annual survey by the American Association of Advertising Agencies of its members, for example, reveals there were 69,676 employees at 716 member agencies in 1985, but only 69,014 employees, for a 1% decline, at 750 member agencies in 1989, the most recent year for which figures are available.

"The business itself has gone up dramatically, but [employment levels] have been flat," said Harry Paster, exec VP at the Four A's.

"The trend is to let people go and hold off on hiring," he said, adding that large agencies are often more insulated from cyclical downturns.

Predictably, big agencies that added substantial business also fattened their payrolls, while those on the losing end continued to pare staffs.

"No matter what [the economy is doing], we've got a lot of work to do. Our workload has gone up, not down."

Leo Burnett Co., Chicago, was the biggest gainer, with staff levels rising to 2,270, a 4.4% hike compared with April levels. New York-based Ogilvy & Mather had the largest employee decline, dropping 5% to 1,991.

"We're right about where we thought we'd be" with personnel, said Jack Kraft, vice chairman-administration and finance at Burnett. "We've been adding to our sales promotion and direct marketing staffs, that's part of it. But no matter what [the economy is doing], we've got a lot of work to do. Our workload has gone up, not down."

O&M declined to comment on its past and future work-force reductions, which have stemmed from account losses and heightened financial pressure from its owner, WPP Group, London.

But J. Walter Thompson Co., New York, another WPP unit, said that while it too has cut staff, it expects no further significant retrenchment, despite rumors to the contrary.

"1990 was a year of adjustment," said Ronald Burns, ceo of JWT North America. "I think we've been prudent, planned conservatively, trimmed back and adjusted for the times."

Since April, JWT has trimmed its U.S. staff of 2,564 by 49 people, a 1.9% drop, including several at its recruitment advertising unit, itself plagued by a bleak job outlook.

"We're going into 1991 in pretty good shape," Mr. Burns said. "I don't anticipate any significant changes in U.S. employees in the coming year."

But others see continued retrenchment.

"The downsizing is going to continue to be a fact of life in the agency business," said John J. Dooner Jr., president of McCann-Erickson North America.

"1991 is not going to be a picnic" for agencies, Mr. Dooner said, adding that he's going to continue to "run a tight ship."

Mr. Dooner believes revenue from last year's new-business wins will forestall any layoffs until the economy picks up in the second half or 1992. □

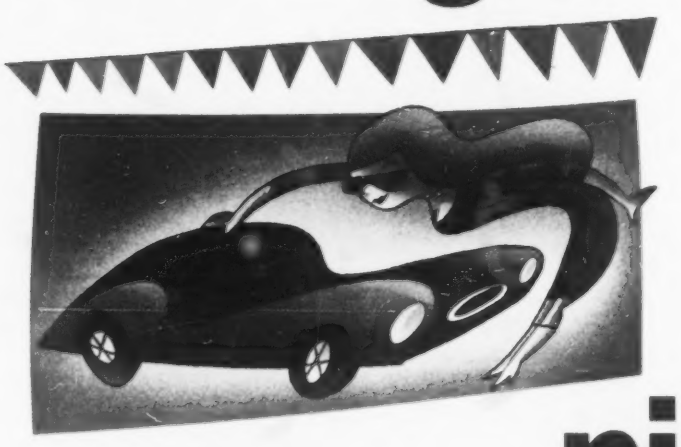
Agency employment rankings

Staffing levels at the top 10 agency employers rose slightly in 1990 despite a generally weaker ad environment, but many shops expect layoffs to accompany a further downturn in 1991.

Rank	Agency	April 1990	December 1990	% chg
1	Young & Rubicam	3,091	3,109	0.6
2	J. Walter Thompson USA	2,564	2,515	(1.9)
3	Foote, Cone & Belding	2,380	2,411	1.3
4	Leo Burnett USA	2,174	2,270	4.4
5	Ogilvy & Mather	2,096	1,991	(5.0)
6	Grey Advertising	1,916	1,963	2.5
7	Lintas:USA	1,900	1,930	1.6
8	D'Arcy Masius Benton & Bowles	1,874	1,872*	(0.1)
9	McCann-Erickson	1,763	1,709	(3.1)
10	Saatchi & Saatchi	1,680	1,706	1.5
	Totals	**21,438**	**21,476**	**0.2**

*As of November 1990. Source: Advertising Age

Finding the right niche



'The customer's always right'

By Raymond Serafin

In the early 1920s, some dealers asked Henry Ford if he would vary the color of the Model T, by far the biggest-selling car of its time.

"You can have them any color you want, boys, as long as they're black," Mr. Ford replied.

"That's a viable concept only if you don't know what other colors consumers want," says Bill Vanderbok, director of automotive research at Plog Research, today.

The growth of consumer information in the last 15 years allows better customer targeting, says Mr. Vanderbok, which means "now there's a lot less risk in niche marketing."

If information made niche marketing possible, competition has forced the issue.

The number of competitors keeps growing, and they're fighting for shares of a smaller market. Auto industry sales have been shrinking from about 15.8 million cars and trucks in 1988 to 14.8 million in 1989 and about 14.2 million in 1990.

Increasingly, the winners are companies that do the best job of using niche marketing to personalize product design, address individual needs and win the loyalties of customers.

The emphasis on more effectively serving niches won't abate as economic uncertainty has automakers bracing for a decline in 1991. General Motors Corp. and Ford Motor Co. both plan for industrywide sales of only 13.5 million.

With more than 600 models competing for fewer buyers, "it's very tough for any specific nameplate or brand to get people's attention and consideration," says Shirley Young, VP-consumer market development for General Motors.

Ralph Sarotte, market plans manager for Chrysler Corp.'s Dodge division, says the need to stand out is one reason to develop niche products.

"There used to be only 15 nameplates, and if you were an established brand you could expect a reasonable segment of the market," he says. "Now you have to do something attention-getting to get people to shop you."

Dodge is using low-volume niche products to shape an image for affordable performance, starting with two 1991 models, the Stealth sports car and the Spirit R/T sedan. On deck is the limited-production Viper, a two-seat sports car, due out in the 1992 model year.

In addition to using niche strategies in product development, automakers are focusing on everything from media and creative decisions to owner-loyalty programs.

"If a customer buys a car every five years, and there are 2½ cars per household, you could be talking about $400,000 as the value of that customer over a lifetime," says Ms. Young.

Michael Grimaldi, Oldsmobile's general marketing manager, says the GM division is "determined to become [a] leader in customer satisfaction and repurchase loyalty" through its "Oldsmobile Edge" package of guaranteed satisfaction, roadside assistance and bumper-to-bumper warranty.

"We will place as much emphasis in our advertising on the Edge as on any of our products," Mr. Grimaldi says.

The newest automotive player, GM's Saturn Corp., evaluated more than 300 publications before settling on 30 magazines as part of a strategy to reach an import-owning audience.

Saturn is trying specifically to reach young, educated adults who "are information oriented, who list reliability and durability as the No. 1 reasons for buying a car, and who are somewhat leading edge in that they'll try something new," says Luana Floccuzio, Saturn's advertising manager-consumer marketing.

Saturn chose some non-traditional publications such as *Atlantic*, *Harper's* and *Wigwag* because "we wanted publications that people spent some time with," she says.

Henry Ford might have been surprised at the lengths his company now goes to actively seek consumer input.

Consultancies conduct "a couple thousand" focus groups a year for Ford to get reactions to products, dealership experiences and advertising, says Toby Hynes, director of marketing research for Ford's North American automotive operations.

The focus groups are used "all the way through the development cycle" of a product, Mr. Hynes says.

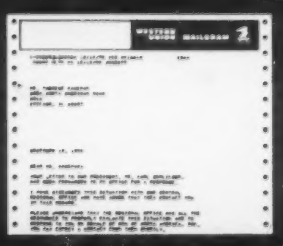
The 1920s disdain for customer opinion has turned into a '90s desire to target the customer's every need.

"There's a gap between what a customer wants and what management thinks the customer wants," Mr. Hynes says. "And what we're trying to do is close that gap." □

With increasingly sophisticated data bases, carmakers take the risk out of tapping narrow buyer segments

INSIDE

OUT OF LEFT FIELD



Illustrations by Steve Musgrave

Truck sales not picking up . . . but ad spending can't be blamed

Pickup truck unit sales in thousands

	Jan.-Nov. 1990	% change from Jan.-Nov. 1989
GM	823.2	-8.0%
Ford	754.1	-4.5
Chrysler	206.3	-5.0
Toyota	168.1	-12.5
Nissan	125.4	1.9
Mazda	73.4	-1.0
Isuzu	43.2	1.8
Mitsubishi	23.2	6.0
Domestic total	1,783.6	-6.2
Import total	433.3	-4.4
Industry total	2,185.9	-7.2

Note: GM trucks are sold under Chevrolet and GMC names, Chrysler Corp. trucks are sold under Jeep nameplates.
Source: *Automotive News*

Leading advertised truck, minivan and sport-utility brands in millions of dollars

	Jan.-June 1990	% change from Jan.-June 1989
Chevrolet S-10	$24.7	47.2%
Jeep Cherokee	23.6	56.8
Pontiac Trans Sport	20.0	NA
Ford Explorer	16.7	NA
Toyota Previa	14.2	NA
Ford Ranger	13.0	-57.3
Isuzu Trooper	11.9	44.3
Ford Aerostar	10.3	30.1
Dodge Dakota	9.4	7.3
Oldsmobile Silhouette	8.3	NA

Note: Multiproduct ads not included in this ranking of spending in nine measured media.
Source: LNA/Arbitron Multi-Media Service

Advertising Age graph: Christine M. Martin

Full-size pickup battle is drawing imports' interest

By Michelle Krebs

There may be a new challenger in the boxing match between Chevy and Ford pickup trucks.

General Motors Corp.'s Chevrolet Motor Division and Ford Motor Co. have been jabbing at each other continuously in ads for their full-size pickup trucks since 1987, but Toyota Motor Sales USA is rumored to be jumping into the ring by the mid-1990s. This would mark the first import to challenge the domestics in that niche.

The imports have made big inroads in other segments, but the domestic automakers say they're ready to take on all comers.

"By the time a Toyota, Isuzu, Nissan or any import manufacturer is ready to compete in the full-size arena, we'll be even stronger from a selection, mix and quality perspective than we are today," says Frank Raine, Chevrolet marketing manager-trucks.

Toyota recently announced plans to build a second assembly plant in Georgetown, Ky., where it now builds the midsize Camry. Toyota executives say the plant will be used to build more Camry models.

But some industry observers believe the Camry is a smokescreen, and the plant will be used to build full-size pickup trucks or a combination of Camrys and pickups. If so, Toyota could be selling full-size pickups in the U.S. by 1994.

Toyota is keeping a tight lock on its plans for this segment –one of the industry's brightest for most of the 1980s until sales recently fell off dramatically.

"We continually reassess those segments in which we aren't represented. But we presently have no plans to produce a full-size pickup truck," says John McCandless, Toyota's Midwest regional PR manager.

Nevertheless, industry observers believe a full-size truck makes sense in Toyota's product line.

Toyota will have to break into new niches to fulfill its lofty sales goals: 1.5 million vehicles in the U.S. by 1995 and 2 million by 2000, when it hopes to surpass Ford. It now sells more than 1 million vehicles in the U.S. annually.

Full-size trucks would be a logical move for Toyota, says Mr. Raine. He thinks Toyota will proceed with the launch because it wants to be a full-line maker.

Like Japanese manufacturers American Isuzu Motors, Mazda Motors of America, Mitsubishi Motor Sales of America and Nissan Motor Corp. USA, Toyota already has penetrated the small pickup truck market. It led other imports in small-truck sales for the first 11 months of 1990; total small-truck sales should be just less than 300,000.

Toyota appears to be the import most seriously looking at the full-size market.

"Obviously with a newcomer like Toyota, we're concerned," says Michael Zevalkink, truck marketing plans manager, Ford division. "But we'll be fully competitive."

He says Ford's and other full-size truck makers' head start in the niche allows them to benefit from the segment's high owner loyalty. And full-size buyers tend to be from the South and Midwest,

February 19, 20, and 21, 1991

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- Media and Planning Strategists
- Consultants
- Megadealers

Last year's conference was a home run, we sold out and turned away many! All feedback, formal and informal, was highly positive.

Partial contents of the program will be reviews and prognosis of:

- Automotive supply and demand
- Changes in broadcast and print media
- Changes in agencies and manufacturers
- Social change
- Creative challenges

by relevant key insiders and objective informed outsiders.

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		Free Evening
Feb. 21	9:00 - 2:30	Conference

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Ford truck ads take a heavy costs savings position.

where penetration by imports hasn't been as high as on the East and West Coasts.

"This is an area where we have been for so long, as opposed to smaller car and smaller truck [markets]," says Mr. Zevalkink.

Mr. Raine agrees. "Ten to 15 years ago, when imports made inroads with small cars, we were selling Vegas and Chevettes and trying to compete with the progressively improved quality of the Japanese models," he says. "We weren't very well positioned to defend our turf."

He contends that's not the case in full-size trucks, where product lines will be improved, revamped and expanded by the time Toyota's trucks hit the streets.

Chrysler Corp. also is confident, planning to introduce its first new generation of full-size trucks in 25 years by 1994. With the introduction, the company expects its *full-size truck sales to double* from its current 85,000 annually. The not-yet-named newcomers may replace the Ram trucks.

Chris Cedergren, director-competitive assessment, J.D. Power & Associates, isn't sure Toyota will jump into the segment.

"It remains to be seen if Toyota will go ahead with the program," he says.

Toyota may wait for the federal government to set standards for fuel economy on trucks. More stringent standards would make the niche less attractive.

Industry sources believe Toyota is considering a couple of design options: a V-8-powered truck styled similarly to current domestic makes, or a smaller, still-powerful engine that would allow the vehicle's design to differ from domestic offerings.

If Toyota doesn't build a full-size truck at the Kentucky plant, Mr. Cedergren predicts it will wait until after 1996 and build the truck at the joint-venture plant with General Motors in Fremont, Calif. Toyota is expected to assume full control of the plant when the companies' joint-venture agreement expires in 1996.

Mr. Cedergren says Toyota may hold off on the trucks and concentrate on the car market.

"Toyota's primary mission is to make sure it is No. 1 in car sales," says Mr. Cedergren. "If you walk the halls of Toyota, the common theme there is to blow Honda away by 1995."

Honda sells only cars and outsold Toyota in the 1990 model year, which ended Sept. 30. Honda sold 849,549 cars in the U.S. to Toyota's 765,241, according to *Automotive News*, a sister publication of *Advertising Age*.

Regardless of Toyota's actions, domestic automakers don't expect to be alone in this niche forever. But by the time an import breaks into full-size trucks, says Mr. Raine, U.S. automakers "will be ready . . . to draw a line in the turf and tell them to come across." ■

Michelle Krebs is a West Bloomfield Hills, Mich.-based free-lance writer.

Olds diverts off-road

Bravada hits sport-utility niche in bid to halt sag

By Michelle Krebs

In a move they hope is more than bravado, Oldsmobile is attacking the burgeoning sport-utility vehicle market.

General Motors Corp.'s Oldsmobile division concedes one-third of its 60% drop in sales since 1986 has been the result of buyers switching from cars to upscale sport-utility vehicles and minivans. It hopes the Bravada, its first sport-utility vehicle, will combat that customer drain.

The Bravada is designed to go head-to-head with Ford Motor Co.'s top-of-the-line Explorer, which sells for about $25,000. The Bravada targets the college-educated 45-year-old with an annual household income in excess of $75,000.

The sport-utility market has moved from a niche market to a high-profile, core market for manufacturers because of its size and profitability.

In 10 years, the number of sport-utility vehicles sold in the U.S. exploded about 370%, from 180,000 units in 1980 to about 850,000 in 1990.

For years category pioneer Jeep Cherokee didn't face any high-volume competition in the four-door sport-utility market. Today, it's battling a half-dozen new players.

In sharp contrast to more spartan, two-door, sport-utility vehicles, the Cherokee was gussied up to attract luxury-car buyers.

The average Cherokee buyer is 35 to 48 years old with an annual household income of more than $60,000, says Larry Baker, general manager of Chrysler's Jeep-Eagle division. In a large percentage of households, he says, the

(Continued on Page S-6)

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Wagons ho! Segment set to rebound

Minivans can't kill what some call 'dowdy' practical car

By Patricia Strnad

The verdict is in: Station wagons are here to stay.

Although station wagon sales were eclipsed by minivans in '1988, leading many to predict wagons' imminent demise, they are showing impressive staying power.

The station wagon market has been steadily shrinking over the last decade, but analysts and carmakers believe the niche will rebound on the strength of purchases by baby-boomer parents who want more passenger and cargo space than a sedan offers, but less space than a minivan.

Several automakers, including American Honda Motor Co., are prepared for the niche's second wind with all-new or redesigned station wagons.

J.D. Power & Associates predicts wagon sales will reach 765,000 units by 1995—or 7% of the total car market—up from about 450,000 in 1990.

Station wagons accounted for only 4.9% of the total car market in 1989, vs. 12.6% in 1973, says Joel Pitcoff, manager of research and analysis at Ford Motor Co.

"The biggest carnage has been in the full-size wagon," Mr. Pitcoff says, adding that Ford plans to discontinue its large Ford Crown Victoria and Mercury Grand Marquis wagons next year because of low sales volumes.

Ford expects sales of the popular Taurus and Sable wagons to rise as a result. Taurus has the best-selling wagon in the U.S., accounting for about 17% of the segment and 25% of all Taurus sales.

But General Motors Corp. is more optimistic about full-size wagons and hopes to wow buyers with the redesign of its full-size, rear-wheel-drive wagons. The Buick version, the Roadmaster Estate wagon, is just now becoming widely available to dealers.

Meanwhile, Ford last spring launched station wagon versions of its redesigned subcompact Escort and Tracer models.

Toyota Motor Sales USA is considering a redesign of its Camry wagon.

Last month, Honda introduced a station wagon version of the midsize Accord, the best-selling vehicle in the U.S. for the past two model years. Honda is unusual in having completely bypassed the minivan market to focus on passenger cars and wagons.

"The Accord wagon is a stroke of genius," says John Wangers, senior managing partner at Automotive Marketing Consultants.

> "What one calls dowdy another might call cautious."

While Honda is projecting annual sales of 30,000, Mr. Wangers predicts the company could sell 70,000.

The U.S.-built Accord wagon, with a base price of $17,300, has other station wagon marketers wary of added competition but hoping their sales will benefit from the attention the Accord is expected to bring the niche.

Mr. Wangers says Honda's entry into the segment would make all wagons more acceptable for image-conscious baby-boomers. "Because of the renewed inter-

Off-road

(Continued from Page S-5)

Cherokee is in the garage next to an upscale European car. "Driving these sport-utility vehicles makes it look like you've arrived," says Chris Cedergren, J.D. Power & Associates director-competitive assessment.

The sheer size of the growing sport-utility market makes it attractive, says Michael Grimaldi, Olds' general marketing manager. Oldsmobile expects to sell 15,000 to 20,000 Bravada models in 1991. Eventually, he says, sales should reach 20,000 to 25,000 units annually.

That's still a far cry from Jeep Cherokee sales, which hit 156,118 units in 1989.

Those already established in the sport-utility market are looking for ways to hold the high ground.

In 1990, Toyota introduced a four-door 4Runner, Nissan launched a four-door Pathfinder and Isuzu, which already sold two sport utilities, added the Rodeo for 1991. Mitsubishi expanded the number of versions it offers.

Last spring, Ford and General Motors introduced four-door sport utilities as 1991 models.

Within four months, Ford says its Explorer overtook Chevrolet for the segment's sales lead.

"And it's been widening the gap every month since," claims Michael Zevalkink, truck marketing plans manager at Ford division.

High inventories forced GM last fall to temporarily close the plant that produces the Chevy Blazer and GMC Jimmy. GM's sport-utility sales were off 9% in the first 11 months of 1990, compared with the same period in 1989.

Frank Raine, Chevrolet marketing manager-trucks, blames the slow sales on the "explosion of new competition."

Mazda began in the 1991 model year selling its Navajo sport-utility vehicle. In a twist to the usual pattern, the Navajo was designed and engineered by Ford with input from Mazda. It is built at a Ford plant alongside the Ford Explorer. Mazda expects to sell be-

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est [in station wagons], one winner will be the Taurus wagon."

The Accord wagon's primary competitors are Ford Taurus and Mercury Sable wagons, and the Toyota Camry wagon, says David Spyra, manager of Honda division automobile advertising.

Honda expects some of the Accord wagon sales to come from current Honda owners who want the versatility of a wagon. But even more are expected to come from dissatisfied minivan owners and families with older children who feel they no longer need a minivan, he says.

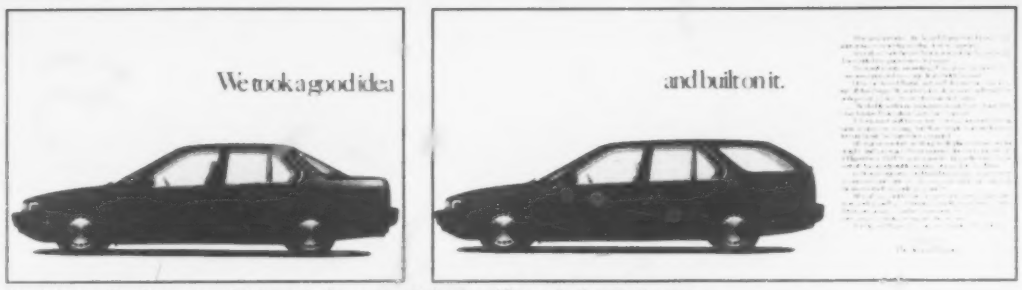
"You've got four-wheel drive on more minivans now," says Chris Wackman, VP-marketing at Subaru of America. "But when you're on a snowy road, the high center of gravity and the bigness of that vehicle is not as comforting as a car that's closer to the ground and has better handling characteristics."

Subaru, which markets the Legacy wagon, is a major player in the station wagon segment. In 1989 about 46.5% of its 136,112 unit sales came from wagons.

The increased demand for station wagons is being pushed by the baby-boom generation, says Dave Pelliccioni, national advertising manager at Toyota.

Retirees, who travel more extensively than younger age groups, also are big buyers, says Chris Cedergren, director-competitive assessment at Power. More younger buyers will be drawn to wagons as the vehicles become more highly stylized and performance-oriented, he says.

But not all consumers feel uncomfortable with the traditional wagon or even its stereotypical image as a boring, utilitarian vehicle, says Bill Vanderbok, director of auto research at Plog Research. "That dowdy image hits a very responsive chord with a lot of people," he says. "What one person calls dowdy another might want to call responsible or conservative or cautious."



Honda is sending its successful Accord after a new niche by adding a deck onto the car.

Even so, automakers are steering away from that image and positioning wagons as roomier, higher-performance versions of their sedans. Subaru advertises its Legacy wagon interchangeably with the Legacy sedan to convey their sameness.

Buick will position the Roadmaster wagon, targeted at affluent consumers with annual household incomes exceeding $80,000, as "the world's most luxurious wagon" in advertising that breaks next spring, says Jay Qualman Jr., general director of advertising.

"The Roadmaster wagon is something you could take to the country club and [you would] not have to apologize [for it], but a minivan or truck might seem out of place," he adds.

Honda is capitalizing on the success of the Accord sedan and coupe in wagon advertising, says Mr. Spyra. Ads by Rubin Postaer & Associates, Los Angeles, are themed, "We took a good idea and built on it."

"Honda's [introduction of] the Accord wagon gives us encouragement . . . that the compact wagon segment is not going the way of the dinosaur," says Mr. Wackman. □

tween 15,000 and 20,000 Navajo models in 1991.

The company is playing on the vehicle's American-built theme. It uses what Duke Hale, Mazda VP-sales, calls "aggressive, emotional" advertising with the tagline "No one knows the land like a Navajo."

All the new-found competition has taken a bite out of Jeep Cherokee sales. 11-month figures for 1990 show sales are down more than 20% from the same period in 1989.

In response, Chrysler introduced a value model of the Jeep Cherokee for the 1991 model year.

Sport-utility model sellers expect continued growth in the segment but at a more modest pace than in the 1980s.

Mr. Cedergren believes the sport-utility market has more staying power than the minivan segment. "When the kids move away from home, people are less likely to move out of the [sport-utility] segment. They may go from a four-door to a two-door or to a more sporty-looking, performance-oriented model, but they'll probably stay within the segment," he says.

As a result, manufacturers will have to redesign sport utilities almost as often as cars.

"The life cycles are shortening," says Mr. Zevalkink. "The public is demanding it. They want changes when somebody comes out with something new."

Manufacturers' product plans include a new version of the Cherokee in 1994. GM will redesign its stable of sport-utility models in the same year. Ford will freshen the appearance of its Explorer in 1994 as well.

A new Mitsubishi Montero and Nissan Pathfinder bow in the 1992 model year. Toyota brings out a new 4Runner in 1994.

It's likely these new versions will contain even more creature comforts than today's models.

"We expect demand for luxury-carlike amenities to remain high," says Mr. Zevalkink. Already, he says, Ford Explorer buyers are asking for power sunroofs, security systems and even better stereo systems. □

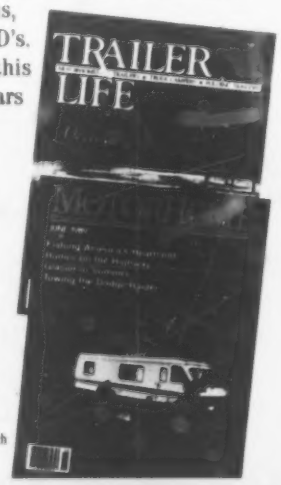
Nori and Keith Goodman
Home: Palm Springs, California
Activities: Keith plays golf, Nori plays the organ, and they both like to dance.
Vehicles owned: Cadillac Eldorado, Honda Prelude, Rolls Royce Silver Spirit, and one of only six 35' Barth Royale motorcoaches ever built.

We Have 1½ Million Readers With Big Garages

While Keith was looking in a Honda showroom for a car to tow behind their motorcoach, Nori wandered next door to a Rolls Royce dealer. Keith bought the Honda, and Nori bought the Rolls—"because I always wanted one!"

At Trailer Life and Motorhome we think that's great. You've earned it, Nori. Like Nori and Keith, our average reader is over 50 and has retired with a comfortable income. They are a full-sized market for full-sized cars. 42% own a domestic large or luxury car and 42% own a mid-sized domestic car. 67% own more than one car. The readers of Trailer Life and Motorhome buy 170,375 trucks a year. And they buy full-sized pickups, compact pickups, vans, suburban-type wagons and 4WD's.

For more information on this concentrated market for big cars and trucks call Jim Mac in Elkhart, IN., (219) 295-7820 or Ralph Kelsey in Irvine, CA., (714) 955-3022.



TRAILER LIFE & MOTORHOME

The Active Senior Travels With Us.

Source: 1987 *Trailer Life/MotorHome* Subscriber Study, Conducted by John Schug Media Research

OUT OF LEFT FIELD

A little service, please!

By Therese Kauchak

Hell hath no fury like a car buyer scorned.

After shelling out hard-earned cash or signing away a substantial part of their paychecks for a few years, car buyers feel they should be coddled by their car's manufacturer.

And automakers are discovering that bringing those who feel wronged back into the showroom is a monumental task.

We decided to see how tightly an automaker would try to hold on to a customer who appeared to be slipping from its grasp.

We sent identical letters—describing real-life problems a staff member has with a now-1-year-old minivan—to 25 automakers.

The letter read:

Dear [name of appropriate ceo],

I'm a big believer in advertising. I was a big believer in your company's advertising when I bought my car late last year.

When I drove the car off the lot, I noticed some immediate problems. The salesman said, as he was pushing me out the door, "Don't worry. Just bring it back and they'll fix it."

I live 35 minutes from the dealer, and it took three visits just to get the factory foul-ups fixed.

Now, a mysterious "clunking" sound is coming from the right front wheel. The selling dealer hasn't been able to correct it; the dealer in my neighborhood keeps pushing me back to the original dealer, saying it's not his problem.

My salesman has left the dealership; my warranty expires in two weeks, and I have a car I don't even know is safe to drive.

Should I have believed your ads claiming quality, service and reliability? I'm beginning to think not.

Can you suggest how I can get my car out of this rut?

Over the next 30 days,

(Continued on Page S-11)

Woman car buyer —don't call her a niche anymore

By Julie Candler

Forget the so-called women's niche of the car-buying universe.

"It's not a niche, it's mainstream," says Danielle Colliver, director of passenger car advertising for General Motors Corp.'s Chevrolet division. "It's primarily coming from young women coming into the marketplace after [age] 18. They have to have cars to go to work."

A 1990 J.D. Power & Associates survey found that women are already 49% of the principal drivers of newly purchased cars.

That mainstream is expected to turn into a near-flood by 2000.

"We are predicting it will hit 60% female," says Luana Floccuzio, advertising manager for GM's new Saturn division.

According to a survey conducted by the Motor Vehicle Manufacturers Association, 61% of car buyers under age 25 are female. Between ages 25 and 44, 49% are female. The figure drops to 28% in the over-age-45 group.

"Guys 18 to 25 are much more likely to buy used cars," says Ms. Floccuzio. "Women are looking for peace of mind. They tend to buy new cars."

The fact that females are no longer a car-buying minority may be influencing the advertising used to address women, say marketers. Many car companies are now looking to unisex ads, rather

Unisex ads—such as for Toyota's Celica—are hitting the mark with women buyers.

We were advising small business when Ford was a start-up.

Business magazines come and go. But none has ever come as far as Nation's Business. Today, Nation's Business delivers more subscribers than any other small business magazine. More than Inc. More than Success. More than Entrepreneur or IB. To reach all 850,000 of them, call Bob Gotshall, 313-354-1180, and advertise in Nation's Business. Since 1912, the most dependable vehicle in America.

Source: [illegible], 1991

Nation's Business
The Small Business Adviser

than gender-specific ads, to target women consumers.

"There is no separate ad campaign to women," says Jim Fewel, Toyota's PR administrator. "Women are featured in some ads, but we are not singling them out. Our ads show women and men."

"We don't set out to design ads for women or men," says Gerrold Rubin, president of Rubin Postaer & Associates, Los Angeles, agency for American Honda Motor Co. "Advertising to address women . . . showing them in typical situations like driving a car pool or taking children to Little League—we don't do that. We are not producing special ads for specific media."

Lincoln-Mercury's genderless Capri commercials, using stickman figures and lighthearted music, were very successful with female consumers, says Advertising Manager Stephen Lyons. The print ads and TV spots "weren't addressed necessarily to women, [but they] brought in 65% female buyers."

Car companies may be realizing the way to a woman's heart can be the same as a man's.

"You don't have to show a chiffon dress and high heels to get women to read the ad," says Mr. Rubin. "Our ads have the potential to reach men as well as women."

"What changes in respect to the women's market is the media," says Richard Brooks, BMW corporate communications manager. "We are using *Lear's*, *Working Woman*, *Harper's Bazaar* and *Savvy*, but non-sexual, product-oriented ads."

Other publications mentioned frequently by automakers and advertising executives include *Elle* and *Mademoiselle*.

"We are increasing media buys for the women's market," says Mr. Lyons, "and considering broadening the base of luxury car advertising to upscale women's publications. I think we have underestimated this whole business in a big way."

Genderless advertising works with female car buyers, says Ms. Colliver, citing the success of Chevrolet's Geo line. Women account for 71% of Geo Storm and 73% of Geo Prizm buyers.

Women tend to buy products at the lower end of the price scale. They are strongest in the subcompact segment—buying 60% of Honda Civic four-doors, 70% of Toyota Tercels—and the compact segment—57% of Dodge Shadows and 61% of Toyota Celicas. They are represented least in the large and luxury segments—38% of BMW's 325i buyers are female.

The kind of information women car buyers seek is changing, say some automakers.

"Now you are getting women buying their second, third and fourth cars," says Ms. Colliver. Chevrolet is researching the women's market "to determine if women are getting the information they want, and if the approach is appropriate and effective."

If it's not, Chevy is likely to change its marketing strategies to better address those needs, which Ms. Colliver thinks may include an increased desire for safety and performance information.

Women "are still changing," says Ms. Colliver. "We have to be alert that we do not, as in the past, form any new stereotypes.

"We have to be in touch with the subtleties." □

Julie Candler is a Bloomfield Hills, Mich.-based free-lance writer.

PEOPLE TO WATCH

Chrysler Corp.'s William MacIntyre and his two-member staff don't measure success in corporate profits.

Mr. MacIntyre heads Chrysler's Physically Challenged Assistance Program, which provides information to consumers about adaptive driving aids and equipment and offers drivers with special physical needs an incentive of up to $500 for conversion of a Chrysler vehicle.

The program, housed at Chrysler's Physically Challenged Resource Center in Troy, Mich., was established in 1987 by Jerome York, now VP-finance, and Dodge dealer Chuck Swift, a paraplegic.

Mr. MacIntyre, a 37-year Chrysler veteran, has guided P-CAP since early 1990.

P-CAP handles 60 to 75 calls a day from the U.S. and Canada. Many physically challenged callers aren't sure where to turn to adapt their vehicles to suit their needs, says Mr. MacIntyre, 60. A major function of P-CAP is to provide free assistance regardless of the make of car involved.

Glenn Triest

William MacIntyre

Hand controls can be installed in a vehicle for less than $500, Mr. MacIntyre says. But a total car conversion, complete with a wheelchair lift, can run as high as $13,000.

In the 1990 model year, more than 2,300 Chrysler buyers participated in the cash-back program, he says.

Chrysler studies indicate about 30,000 cars a year are converted in some way to aid physically challenged drivers. Mr. MacIntyre places the number of physically challenged U.S. citizens at 43 million.

To reach that sizable audience, P-CAP has a limited advertising budget of $95,000, down from $125,000 last year. Mr. MacIntyre says the budget cut was self-imposed in light of the industry's tough times.

The center can be reached at (800) 255-9877, Monday through Friday, 9 a.m. to 4:30 p.m. (CT). □

—*John Cortez*

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If you want to reach the most motorsports fans where they live, no one drives your message home like TNN: The Nashville Network.

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"Through a series of ads in Real Estate Today®, we at Oldsmobile are reaching 820,000 key influencers who buy full-sized sedans in which they drive their customers to review property," says D.L. Lahti, general sales and service manager at Oldsmobile. "REALTORS® and their customers are among Oldsmobile's most important target markets, which is why Oldsmobile is the Car of Choice of REALTORS®, and why Real Estate Today® is providing the bull's-eye."

The Oldsmobile campaign began in August 1990. In September, a $500 cash-back rebate offer was added for any REALTOR® purchasing or leasing an Oldsmobile. The campaign also includes a specially designed Oldsmobile/NATIONAL ASSOCIATION OF REALTORS® logo.

"We sold more than 1,200 vehicles in the first ninety days of the program," says John Yusko, dealer incentives manager for Oldsmobile. The campaign also generated over 38,000 inquiries during that same time period, according to Yusko.

Other automobile manufacturers have found that advertising in Real Estate Today® and *REALTOR NEWS®*, the publications of the NATIONAL ASSOCIATION OF REALTORS®, produces exceptional leads and new car sales. A summer 1990 campaign by Volkswagen of America received more than 28,000 responses, proving the tremendous automotive buying power of the REALTOR® market.

"We sold more than 400 vehicles to those respondents," says Ron Dusenberry, manager of advertising for Volkswagen of America. "More important, we started developing a relationship with every one of the 28,000 people who inquired."

According to a 1989 J.D. Power & Associates subscriber profile study commissioned by the NATIONAL ASSOCIATION OF REALTORS®, 92 percent of REALTORS® claim their cars are extremely important in their business activities. REALTORS® purchase a new car every 2.5 years, and 41 percent—roughly 320,000 of the 820,000 members of the NATIONAL ASSOCIATION OF REALTORS®—plan to buy or lease a car within the next year.

"A car is a tool of the trade for our people," says Jerry Jatos, senior vice president at the Association. "It's part of the way they conduct business. The automobile manufacturer benefits not only by the actual sale of the vehicle to the REALTOR® but, from actual 'test drives' that our members take homebuyers on in those purchased vehicles every time they show a home. When you consider the fact that our membership does more than 3 million transactions per year, well, that's a lot of test-driving going on."

For a free summary of the J.D. Power study results on the buying power of the REALTOR® marketplace, write or call Holly Poe Egge, Real Estate Today®/ *REALTOR NEWS®*, 430 North Michigan Avenue, Chicago, IL 60611-4087. Phone 312/329-8296. FAX 312/329-5978.

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Top 10 automakers by 9-media ad spending, dollars in millions

		Jan.-June 1990	% change from Jan.-June 1989
1	General Motors Corp.	$424.1	-3.8%
2.	**Ford Motor Co.**	**224.5**	**-8.1**
3	Chrysler Corp.	217.7	-0.6
4.	**Toyota Motor Sales USA**	**164.5**	**72.4**
5	Nissan Motor Corp. USA	151.7	65.6
6.	**American Honda Motor**	**106.2**	**10.6**
7	Mazda Motors of America	80.5	32.4
8.	**Volkswagen AG**	**63.0**	**25.1**
9	Mercedes-Benz of N.A.	40.5	28.0
10.	**Hyundai Motor America**	**39.4**	**-14.2**

Source: LNA/Arbitron Multi-Media Service
Advertising Age graph: Christine M. Martin

Leading advertised passenger car brands in millions of dollars

		Jan.-June 1990	% change from Jan.-June 1989			Jan.-June 1990	% change from Jan.-June 1989
1.	Nissan Stanza	$32.8	NA	11.	Toyota Camry	$20.4	21.6%
2.	**Oldsmobile Cutlass**	**32.5**	**41.9%**	12.	**Pontiac Grand Prix**	**19.7**	**5.4**
3.	Subaru Legacy	31.9	43.1	13.	Chevrolet Caprice	19.5	NA
4.	**Ford Escort**	**27.4**	**58.4**	14.	**Infiniti Q45**	**19.1**	**NA**
5.	Lexus LS400	26.1	NA	15.	Honda Civic	18.9	39.4
6.	**Volkswagen Passat**	**24.1**	**NA**	16.	**Toyota Celica**	**18.6**	**85.6**
7.	Nissan 300 ZX	23.2	82.1	17.	Honda Accord	17.7	2.1
8.	**Hyundai Excel**	**21.8**	**19.8**	18.	**Hyundai Sonata**	**16.7**	**-36.2**
9.	Chevrolet Lumina	21.4	16.1	19.	Acura Legend	16.5	-2.1
10.	**Buick Regal**	**20.9**	**137.5**	20.	**Mazda MPV**	**15.4**	**213.1**

Note: Multiproduct ads not included in this ranking of spending in nine measured media.
Source: LNA/Arbitron Multi-Media Service
Advertising Age graph: Christine M. Martin

Service

(Continued from Page S-8)

we got phone calls, letters—even Western Union Mailgrams.

The imports were speedier to respond than were domestics. Although we didn't include our phone number, Saab dug it up and was the first to call—only seven days after the letter was postmarked.

Rolls-Royce wins for persistence, calling on the eighth day, leaving two messages on the 11th and sending a letter on the 15th.

General Motors Corp. was the first U.S. automaker to answer our plea: both Chevrolet and Buick phoned on Day 14.

Below, we detail the diary of a disgruntled car owner.

Day 1: *Ad Age* complaint letter posted.
Day 7: Saab-Scania national customer service department leaves phone message.
Day 8: Rolls-Royce Motors' Midwest zone service manager leaves message.
Day 11: Volkswagen leaves an 800 phone number; Rolls-Royce leaves two messages.
Day 12: BMW's central regional office and Yugo America leave messages.
Day 13: BMW's national consumer services office makes us feel very glamorous by sending a Western Union Mailgram; letter arrives from Peugeot Motors; Isuzu leaves phone message.
Day 14: "Send us your phone number," writes the practical Volvo in a Mailgram. "Or call," they add, thinking of an even better idea; Buick sends a letter; Honda, Nissan and Chevrolet leave phone messages.
Day 15: Letters arrive from Rolls-Royce, Cadillac and Volkswagen.
Day 18: Letters arrive from Audi and Pontiac; Isuzu leaves phone message.
Day 19: They like us; they really like us! Ford's Dealer Affairs Office writes to say they "sincerely regret" the problems we've had; Mitsubishi's letter is the first to claim their chairman actually read our diatribe; still-polite men from Honda and Isuzu leave more messages.
Day 22: Letters from Isuzu and Oldsmobile arrive.
Day 27: Honda gives in and writes us a letter.
Day 28: Mercedes-Benz gives a jingle.
Day 29: Mercedes-Benz sends a Mailgram.

After a month, only seven car companies failed to respond: Chrysler, Lincoln-Mercury, Hyundai, Jaguar, Porsche, Subaru and Toyota.

Ironically, the maker of our role-model car was one of the silent minority. The car's real owner, however, is not surprised.

"Our warranty is up, so I'll have to eat the cost of repairing it now. I suppose the whole thing will fall to pieces tomorrow. Isn't that what happens with warranties?"

This is hardly the voice of a repeat buyer. □

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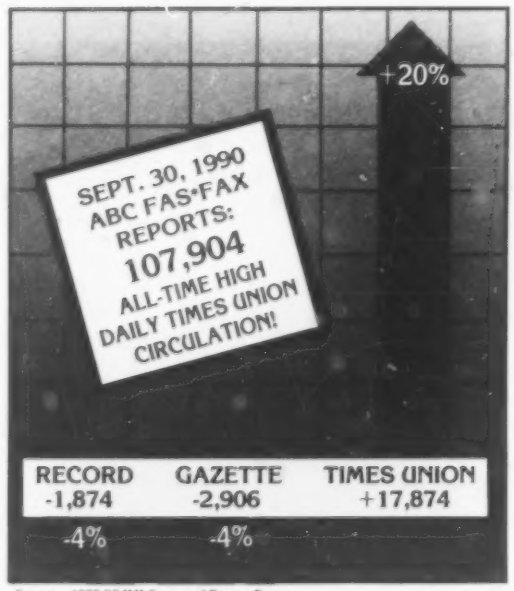


Sources: 1989 SCMM Survey of Buying Power
Sept. 30, 1987 & 1990 ABC FAS*FAX Averages

In Albany, New York, upstate New York's largest and fastest growing ADI retail marketplace, more and more consumers are choosing The Times Union as their daily newspaper. In fact, ABC FAS*FAX from 1987 thru 1990 show a total increase of 20% in average daily paid circulation for the daily Times Union, and no growth for other local metro dailies.

Of course, our Sunday figures look even better...better than twice the circulation of any other local newspaper.

Call Dave Cherry, (518) 454-5556 for details on the Albany, N.Y. Auto Market.

New York's CAPITAL NEWSPAPERS
THE TIMES UNION • SUNDAY TIMES UNION

Marketers pull ads

(Continued from Page 1)

coverage, which was extensive during the initial hours of the war.

"I don't think [ads are] proper [during war coverage]; there's a backlash potential, and you have to ask what would you gain from it," said Louis Schultz, exec VP-director of media services for Lintas USA, New York, whose Lintas Campbell-Ewald unit in Warren, Mich., handles General Motors Corp.'s Chevrolet division.

Brad Ball, president of Davis, Ball & Colombatto, Los Angeles, which handles nine regional McDonald's accounts, said he received word from the fast-food chain's national headquarters discouraging any ads in or around news coverage.

"They said we should keep the real world away from our ads, to keep them away from that reality," Mr. Ball said.

Other advertisers took a completely opposite view.

Kellogg Co. spokesman Dick Lovell said the cereal marketer didn't change its advertising or ad schedule and has no plans to do so. If ads were scheduled to run on the networks, Kellogg let them run—even on news coverage of the war.

Advertisers' plans to avoid time on war coverage didn't always work. TV spots for Toyota and Isuzu appeared on ABC-TV's "Nightline" last week against their wishes.

The U.S. Department of Defense last week ordered all paid TV and radio military advertising suspended indefinitely, according to a department directive. The order included recruiting ads for the joint services as well as for the individual Armed Forces.

Ads in other media and broadcast public service announcements for the Armed Forces will continue.

Chevron Corp. postponed $3 million to $4 million worth of buys, including spots on NFL and National Basketball Association telecasts, said Jim Gordon, manager of retail advertising and sales promotion.

"The attention deserves to be given to the developments in the Middle East," Mr. Gordon said. "We don't want to fly in the face of the war coverage."

Trans World Airlines pulled its print schedule and canceled TV spots slated for yesterday's telecast of the NFL's NFC championship game pre-game show on CBS.

GULF CRISIS

"I have no intention of running anything else until people calm down and live normally," said Shelly Kravitz, TWA VP-advertising and leisure marketing. "I'm trying to divorce [TWA] from as many commitments as I can."

"We'll have to take it a step at a time and see what we'll do," said Paul Mulcahy, VP-advertising at Campbell Soup Co.

Campbell had no immediate plans beyond its decision not to air ads during news coverage for the first 48 hours of war, he said.

Pepsi is monitoring the situation to ensure its fun-loving, upbeat advertising via BBDO Worldwide, New York, fits the mood of the country.

"We're sensitive to the potential for major and very quick change in public sensibilities, and we would respect and respond to that appropriately," said spokesman Gary Gerdemann.

Some advertisers pulled ads because of inappropriate content.

Norwegian Cruise Line canceled the scheduled regional airing of a TV spot from agency McKinney & Silver, Raleigh, N.C., that depicted the war room of a naval ship.

Northrop Corp., a defense contractor, pulled a page b&w ad from *The National Journal* a day before the political weekly hit the streets Jan. 18. The ad by Bockman, Los Angeles, showed a B-2 bomber.

The page was quickly replaced by another defense contractor, BDM International, whose agency, Stackig, Sanderson & White, McLean, Va., created in one day an ad congratulating the U.S. Department of Defense and U.S. troops.

Anheuser-Busch is considering putting on a special message saluting America, agency sources said. But Chevrolet already has nixed that idea.

"Anything that reminds people [about the war] is not in super-good taste," said J.C. "Jim" Perkins, Chevrolet's VP-general manager.

The war's potential effect on car sales appears to wipe out hopes GM would maintain its first-quarter ad spending at 1990 levels, said Shirley Young, GM's VP-consumer marketing.

She confirmed reports that the automaker's first-quarter ad spending will decline from a year ago, though she didn't specify by how much.

Ms. Young said the economy is forcing advertising to be more "sober" and focused on value, trends that will only be exacerbated by the Persian Gulf War.

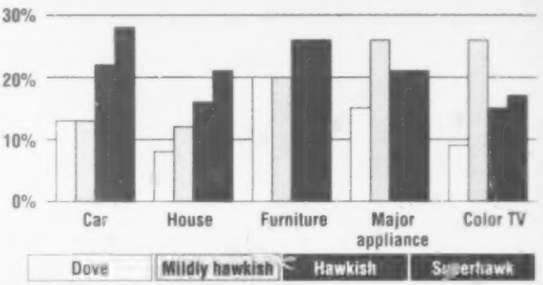
"I think you'll see a much greater sense of realism in terms of soberness and fundamentalism in advertising," she said. ☐

Written by Patricia Winters from bureau reports.

Consumers react to war

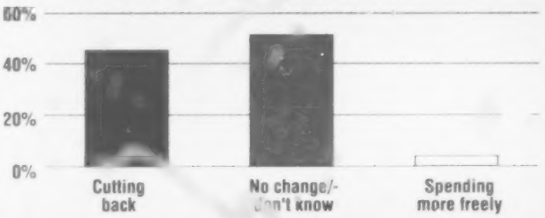
What were your spending plans?

"The people who were most in favor of attacking Iraq are also most inclined to be shopping for consumer goods. Hawks are driving this economy," says researcher Leo Shapiro. Research conducted by phone the weekend of Jan. 6 showed those who most favored war were most likely to be in the market for major purchases.



Now that we are at war, will these plans change?

Nearly half the adults surveyed within three hours after President Bush's Jan. 16 address to the nation said they thought they will be cutting back on spending. The most commonly named changes were putting more money in savings, cutting out luxury goods, conserving gasoline and delaying major purchases.

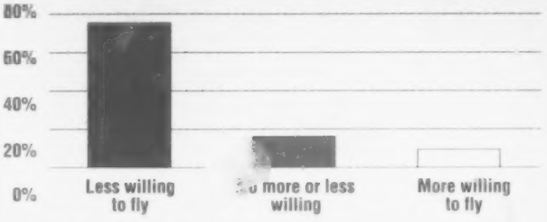


How will war affect the economy?

Although some believe the war may relieve the pressure of uncertainty that has hurt the economy, most people surveyed after President Bush announced the offensive against Iraq were pessimistic about the nation's economic future.

Are you now fearful of air travel?

The airline industry could feel the most immediate domestic impact from the war. Three of four persons surveyed immediately after President Bush announced the attack on Iraq said they now feel less willing to fly. The No. 1 reason cited was fear of terrorism.



Source: Leo J. Shapiro & Associates, Chicago

JOHN SMITHER

TV nets

(Continued from Page 1)

cisions on cancellation options for second-quarter units bought in last year's upfront sales period, fearing many would cancel if forced to decide.

Almost all upfront buyers had asked for and received extensions to Jan. 15 because of the holidays.

"Options are taking a back seat with people trying to decide what to do now that this is a shooting war," said Jon Nesvig, exec VP-sales, Fox Broadcasting Co.

Late Friday however, agency media buyers said most network advertisers had decided to exercise some portion of second-quarter options, canceling an estimated 30% of their upfront commitments—or $300 million to $400 million—compared with about 20% last year.

Cancellations in daytime, late-night and news dayparts weren't as severe, running about even with last year, network sales executives said.

Prime-time cancellations could give the networks more than ample inventory to give advertisers make-goods for spots preempted by war coverage.

Few expected the Big 3 networks to continue with 24-hour coverage into the weekend.

The hope at ABC, CBS and NBC was to resume normal programming Friday night and throughout the weekend with news updates and expanded versions of news shows.

The networks tried to sell time in war coverage, but few advertisers seemed willing to shift spots originally bought in entertainment shows.

"Specific audiences are needed for specific products," said Bart McHugh, senior VP-director of national radio/TV programming at DDB Needham Worldwide, New York. "If you bought an entertainment show, you don't achieve the same thing with coverage of the Middle East."

Another concern is whether spots slated during war coverage are being aired by affiliates. Agency executives last week started hearing rumors of local stations blacking out spots in network news coverage.

Channel One, Whittle Communications' in-school TV network for teens, suspended all advertising Jan. 17 to devote its entire 12-minute broadcast to coverage of Operation Desert Storm.

Beginning Friday, it again began featuring two minutes of advertising daily.

As advertisers withdraw commercials or are squeezed out of network TV by pre-emptions, newsweekly magazines—which themselves have devoted a massive amount of editorial resources to war coverage—may benefit from a trickle-down effect.

"We've received a flurry of calls from people asking about our fast-close capabilities," said Stephen J. Seabolt, advertising sales director at *Time*.

He said he was told by one client that TV spots often are perceived as program sponsorships, but magazine ads aren't since a consumer pays for a magazine.

Newsweek was trying to keep its ad close deadlines flexible to accommodate additional business, said Publisher Peter Eldredge.

"Since [the war began], we really haven't had any advertisers who have gone into a tuck," said Karl Spangenberg, senior VP-ad sales for *Business Week*.

At *USA Today*, Renee Lewin, VP-marketing services, said advertisers in last Friday's edition would get a "bonus" and appear free in the first-ever Saturday edition, a 12-page insert devoted to the gulf war.

The newspaper ordered a 50% to 60% hike in the number of copies of the Jan. 17 edition for newsstand and box sales. The daily expected Jan. 17 sales to exceed the 2 million mark, and perhaps approach its all-time record of 2,448,444 set last Aug. 31.

On Jan. 17, the 1.2 million-circulation *Los Angeles Times*, the nation's largest metro daily, added 250,000 copies, its biggest expanded print run in decades.

The Times Mirror Co.-owned paper said it had "a few cancellations" from advertisers, but declined to identify them.

The top news and talk radio stations in Los Angeles, KABC-AM, KNX-AM and KFWB-AM, went commercial-free Jan. 17.

"People don't want to hear an ad for a hemorrhoid clinic or Toyota of Orange when maybe their next-door neighbor or a loved one is fighting for their lives in the Middle East," said Jan Cromartie, KFWB promotion manager. ☐

Scott Donaton, Steven Colford and Bradley Johnson contributed to this story.

NOTE

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NEWSPAPER

Advertising Age

January 28, 1991

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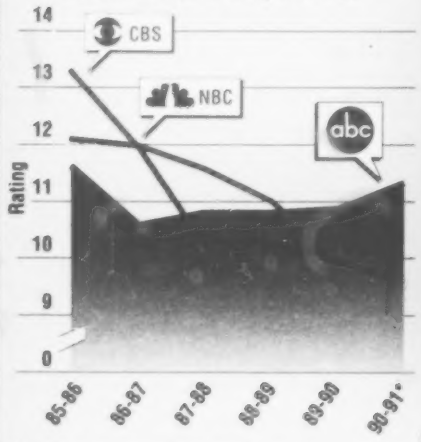
CBS news hurting

"CBS Evening News" and "NBC Nightly News" ratings continue to decline while "ABC World News Tonight" climbs.



*Average weekday evening news ratings, Sept. 17, 1990, through Jan. 20, 1991.
Source: Nielsen Media Research

Erica Lansner/Photoreporters

Dan Rather is on the hot seat as CBS ratings fall to climb.

HOLLY SEGUINE

Prestige of CBS takes direct hit from Gulf war

By Wayne Walley

The Tiffany leadership image of CBS News has become an unexpected casualty in the Persian Gulf War—and taking the most heat is anchorman Dan Rather.

Mr. Rather's current contract with CBS has at least two more years, sources say, but some industry observers believe the network might be forced to make a change and oust him from the anchor duties he's held at "CBS Evening News" for nine years.

When hostilities broke out Jan. 16, more viewers tuned to ABC and NBC than CBS, the once-proud home of broadcast news luminaries Edward R. Murrow and Walter Cronkite.

Even Cable News Network, the 24-hour cable channel, almost reached as many viewers as CBS during head-to-head prime-time news coverage Jan. 16 and 17, causing many in the TV industry to wonder about the future of CBS News.

"CBS News is no longer the leader or the perceived leader," said Kal Leibowitz, president of KSL Media, New York. "'60 Minutes' is still a bright star for the network, but 'Nightline' helped build an image for ABC, and Capital Cities, before it merged with ABC, owned TV stations that were No. 1 for news in their markets. Locally, they still dominate the news, and now the network does, too."

Some outsiders blame Mr. Rather for the network's performance, but other factors such as budget cuts, the closure of international and domestic bureaus, and increased competition have contributed to the decline of the once-mighty news organization.

"The public is seeing now what buyers have seen for a while: ABC is better, and it's the end of an era for CBS," said Doug Seay, senior VP-director of broadcast programming for Hal Riney & Partners. "I'm not sure it's Dan Rather's fault. Top management at CBS is looking at the business, not the creative, side of news, and this is the result."

The telecast, long the ratings leader, is in a neck-and-neck race with NBC for second this year, trailing ABC's "World News Tonight," which has topped the evening news ratings race for more than a year.

"You don't think to turn on CBS the minute something happens anymore," said Werner Michel, senior VP-corporate programming for Bo-

(Continued on Page 43)

GULF CRISIS

■ Super Bowl advertisers rush to change ads—Page 1
■ Travel marketers cut ads in upscale magazines—Page 3
■ War has a profound impact on employees at Fabrisco—Page 42
■ McCann-Erickson races to handle media disruptions—Page 42

Super Bowl ads in late scramble

By Patricia Winters

The Persian Gulf War sparked a spate of last-minute changes in advertising on Super Bowl XXV, led by Pepsi-Cola Co.'s decision to cancel its 800 number call-in promotion for Diet Pepsi.

Pepsi-Cola announced Friday it was withdrawing its call-in Diet Pepsi game after concerns were raised by the Federal Communications Commission that the promotion could cripple the nation's telephone system during a time of war.

The soft-drink marketer decided to replace ads about the promotion with other creative *(see Page 46 for Bob Garfield's review of Super Bowl ads)*.

A Ray Charles spot that broke Jan. 1 but wasn't scheduled for the Super Bowl was set to run instead, in both 30- and 60-second versions.

Pepsi also quickly created a :30 pre-game spot explaining the canceled promotion.

In the post-game show, when Pepsi was to run a :30 announcing the winners of its canceled promotion, the marketer instead was scheduled to run a :30 kicking off a Diet Pepsi automobile giveaway promotion originally scheduled to start next month.

The promotion was created by Pepsi with assistance from Clarion Marketing & Communications, Greenwich, Conn. BBDO Worldwide, New York, handles the advertising.

But while Pepsi was able to change the TV spot, it was unable to pull some regular print ads and yesterday's national free standing insert that carried the 800 number.

Pepsi said consumers who called the 800 number would hear a recording about the cancellation.

Pepsi went ahead with its Super Bowl ad plans, even though it scrapped its 800 number sweepstakes.

Anheuser-Busch and Coca-Cola Co. also made changes last week in their Super Bowl advertising because of the changing mood of the country related to the Persian Gulf War.

After all-day meetings Thursday and Friday, Coca-Cola executives decided Friday to alter the creative part of its

(Continued on Page 43)

WPP mulls cash options

Japanese equity stake on list of scenarios

By Gary Levin and David Kilburn

WPP Group Chief Executive Martin Sorrell is negotiating with his lenders to ease WPP's cash crunch, and several scenarios are being floated on what he might do.

These options include a proposed equity infusion by an international consortium, issuing new shares on the Tokyo Stock Exchange, a renegotiation of debt or a combination of alternatives.

WPP, strapped by a $620 million debt load, a weak advertising climate and a cash shortage, is said to be the target of a proposal from a group with possible Japanese involvement to buy a minority stake in the London-based holding company for J. Walter Thompson Co., Ogilvy & Mather Worldwide and Hill & Knowlton.

One source saw the proposal as a way for Mr. Sorrell to avoid selling assets.

Tokyo-based Dentsu said it had been approached early this month about helping to refinance WPP. The agency wouldn't be specific about who approached it but did say categorically that it had no interest in any such activity.

A Japanese agency source said the giant Mitsubishi Corp. was seeking Dentsu's participation.

Mitsubishi, which set up a house ad agency last year, is known to be serious about expanding in the communications industry.

A Mitsubishi spokesman, after checks last

(Continued on Page 8)

LAST MINUTE NEWS

Bowen loses JWT USA title

NEW YORK—Stephen Bowen, president of J. Walter Thompson USA, is being relieved of that title. He will continue as exec VP of JWT Co. working on multinational business from New York and Chicago, where he's now based. Observers viewed the move as a

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INSIDE

New BusinessTrack section offers tips for tough times
See Page 27

Marketers throw money at dog food Page 3

NEWS SUMMARY

■ **Super Bowl advertisers** made last-minute promotion changes because of the Persian Gulf War. 1

■ **WPP Group,** burdened by a heavy debt, is the target of a proposal from a Japanese consortium to buy a minority stake in the London-based holding company. 1

■ **CBS News** has been running third in the network TV ratings since the Persian Gulf War began. Some blame budget cuts, others anchorman Dan Rather. 1

■ **Three leading pet food marketers** will spend more than $125 million to launch broad superpremium lines, each targeting consumers, retailers and pet professionals. 3

■ **Upscale magazines** aren't immune to the economic downturn, according to 1990 figures and first-quarter projections for the category. 3

■ **Reebok International** began a new competitive campaign for the Pump shoe, with ads from Lois GGK rather than Hill, Holliday, Connors, Cosmopulos. 3

■ **"USA Today"** will publish *USA Today Baseball Weekly* starting April 5. 3

■ **Hakuhodo Advertising America** settled out of court a discrimination suit filed by an American employee of the Japanese-owned agency. 4

■ **Saatchi & Saatchi Co.** shareholders want changes in the agency group's recapitalization plan. 4

■ **Anheuser-Busch** management changes signal plans to increase its presence overseas. 4

■ **The "Excedrin headache"** is back on the advertising scene, this time promoting Aspirin Free Excedrin. 9

■ **Kentucky Fried Chicken Corp.** is rolling out Lite 'n Crispy chicken, lower in fat, calories and cholesterol. 9

■ **Knight-Ridder's** Philadelphia newspapers launched a program to build better relationships with ad agencies. 12

■ **TV program deals** were fewer at this year's National Association of Television Program Executives meet. 16

■ **Cable TV ad revenues** are showing a record pace, despite a downturn for other segments of the TV industry. 16

■ **Magazine ad pages** were down 3.7% in 1990, though ad revenues were up 1.9% for the year, according to Publishers Information Bureau. 31

■ **Ralston Purina** is introducing Nature's Course, an "organic" dry dog food. 39

■ **BBDO Worldwide** acquired WPP Group's 22.9% interest in London-based Abbott Mead Vickers. 41

■ **Newspaper executives** at the International Newspaper Advertising & Marketing Executives sales conference searched for ways to reverse an ad slump. 44

■ **Six newspaper industry groups** will consider a merger plan. 44

■ **Alfa Romeo's** new magazine ad campaign features the work of six noted illustrators. 44

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Ad tax initiatives hit Kansas, N.M.

By Steven W. Colford

1991 is barely four weeks old, and the ad industry is already trying to fend off tax threats in two states.

Last week in New Mexico, state Rep. Albert Shirley (D., Church Rock) introduced legislation that would place a 5% excise tax on all in-state media purchases for advertising, whether broadcast or print.

Money raised by the proposed tax would go toward alcohol rehabilitation through the state's Community Alcohol Treatment & Detoxification Fund.

Dee Schilling, executive director of the New Mexico Broadcasters Association, said the bill is unlikely to garner enough support to pass but said lobbying of key House committee members was under way.

Gov. Bruce King, a Democrat, campaigned last year on a no-new-taxes pledge, Mr. Schilling said.

A legislative aide said the bill had no co-sponsors and may be scheduled for a hearing before the House Consumer & Public Affairs Committee this week.

In Kansas, Gov. Joan Finney proposed a tax on in-state professional services that spared advertising but perhaps only for a time.

Advertising was omitted from the governor's proposal after considering the administrative problems associated with an ad tax, as well as the problems incurred by Florida in its unsuccessful attempt in 1986 to tax advertising, said Martha Walker, the governor's press secretary. Ms. Walker said the Legislature likely will decide to extend the proposed 4.25% tax to advertising when it considers the governor's proposal.

Possible problems collecting the tax revenue contributed to Gov. Finney's decision to exclude advertising, said Susan Duffy, director of research and revenue analysis in the Kansas Department of Revenue.

> **"At this point, the decision was made to exclude advertising. But some legislators have said, 'Why exclude that?' "**

"If a magazine is based in Washington and sold in Kansas, how do we apportion that?" Ms. Duffy said. "At this point, the decision was made to exclude advertising. But some legislators have said, 'Why exclude that?' and I expect [an ad tax] will be discussed by the Legislature."

But even as legislatures across the nation convene to battle virtually universal budget shortfalls and search for remedies, Washington state and San Francisco are trying to restrict alcohol and tobacco advertising.

The Washington Liquor Control Board, which has been pressured for months by the state's medical community, this week is expected to recommend some restriction of alcohol advertising. If approved by the three-person board, the restrictions would become binding unless superseded by legislation.

Last week, state Rep. Mike Heavey (D., Seattle) introduced a bill that would ban TV advertising of wine and beer (AA, Jan. 21). Rep. Heavey, chairman of the state's House Commerce Committee, held a hearing on the measure last week.

The Legislature also passed a non-binding resolution calling on Congress to ban "the use of images of automobiles, race tracks, speedboats and other references to driving and speed in alcoholic beverage commercials on TV."

In San Francisco, the city's public utilities commission last week banned alcohol and tobacco advertising inside and outside municipal vehicles, including buses, trolleys, cable cars and the underground light rail system. Some displays will remain through 1991 because of contractual agreements.

Denver, Boston and Seattle have already banned such ads from their municipal vehicles, and the Bay Area Rapid Transit subway in San Francisco banned alcohol and tobacco ads in 1987. ❑

Alice Z. Cuneo contributed to this story.

Langer tells Levine no

By Jon Lafayette

NEW YORK—Levine, Huntley, Schmidt & Beaver's search for a new ceo was thrown for a loop last week when the leading candidate, Lowe & Partners CEO Andrew J. Langer, decided not to take the job.

In a memo to Lowe staffers Friday, Mr. Langer said: "There has been a lot of speculation lately that I'm going to Levine Huntley. I'm not."

Mr. Langer couldn't be reached for comment.

Levine Huntley founder Harold Levine earlier last week had confirmed the agency was negotiating with Mr. Langer, 48. But media reports of the acknowledgment may have driven a wedge between the agency and Mr. Langer.

"I'll bet Andy's very angry," an agency source said. "Harold put Andy at risk and upset all of [Lowe's] clients."

Industry observers had said that, as a former creative director, Mr. Langer would be well-suited for the job at Levine Huntley, a creatively oriented shop.

Now, Mr. Levine and Robert Berenson, the exec VP at Levine Huntley parent Grey Advertising who's coordinating the search, will try to move quickly to hire another candidate.

Mr. Levine, reached Friday before Mr. Langer's memo went out, said he wasn't aware of any change in Mr. Langer's situation. But he added that there were other candidates.

"Everybody is interesting. Nobody is saying no," Mr. Levine said, adding he wants to fill the job as soon as possible.

"It's important to get it done quickly, but it's delicate when you're putting in a ceo," he said.

Sources say the other leading candidates are former Ammirati & Puris President Edward Vick, J. Walter Thompson Co. Exec VP Stephen Bowen, and Keye/Donna/Pearlstein President Leonard Pearlstein. Mr. Levine wouldn't confirm or deny contacting the executives.

A. Langer

Messrs. Vick and Pearlstein declined comment; Mr. Bowen couldn't be reached for comment, and it's not known if any of the men have been contacted by Levine Huntley.

Levine Huntley CEO Robert Schmidt left earlier this month to join client Dreyfus Corp. At the same time, Creative Director Tony DeGregorio left to become executive creative director at Lintas:New York (AA, Jan. 7).

Though Grey's Mr. Berenson and Mr. Levine both knew about Mr. Schmidt's plans, they hadn't finished their search by the time Mr. Schmidt left.

"We really have to get this done right away," said one Levine Huntley executive. "People are very nervous, and our clients are very nervous."

The $280 million agency's biggest client, Subaru of America, with billings of about $80 million, has a contract that expires in September. And a number of agencies have already tried to pitch the Subaru account.

Subaru isn't talking with any other agencies, said Chris Wackman, VP-marketing.

He said there's "absolutely no credence" to a report McCabe & Co. is a candidate for the account.

A source familiar with Subaru's plans said when the contract expires, the automaker will choose between the incumbent and DCA, the U.S. unit of Japan's Dentsu. Dentsu handles Subaru in Japan.

Subaru's U.S. marketing staff doesn't want the account at a Japanese agency because they fear they will lose control over marketing to the parent company, the source said.

Subaru's parent, Fuji Heavy Industries, has expressed a preference for doing business with Dentsu and is unlikely to let the account move to a less substantial agency than Levine Huntley.

Nearly all the larger U.S. agencies already have car accounts. ❑

Raymond Serafin in Detroit contributed to this story.

Cutting into supermarket sales
Specialty outlets have made a big inroad into the $6.7 billion pet food market, but three major supermarket brands are fighting back.
Ralston Purina 26.4%
Carnation/Friskies 14.4%
Mars/Kal Kan 12.4%
Heinz/9-Lives and others 11.2%
Quaker/Ken-L Ration and Gaines 10.1%
Grand Met/Alpo 8.7%
Supermarket $5.7 billion
Veterinarian offices, pet shops, breeders, etc. $1 billion
Colgate/Hill's Pet Products 40%
Iams Co. 35%
Others 25%
Sources: Arbitron/SAMI, Prudential-Bache Securities and Ad Age research

New pet food scrap in supermarkets

Purina, Kal Kan, Quaker try high-price lines

By Julie Liesse and Bradley Johnson

It may be the dogfight of the decade.

Three leading pet food marketers are unleashing more than $125 million in the biggest marketing blitz to hit the $6.7 billion-plus industry in years.

Ralston Purina Co., Kal Kan Foods and Quaker Oats Co. are simultaneously launching broad superpremium pet food lines, each with heavy spending targeted at consumers, retailers and pet professionals.

Purina and Kal Kan will go nose to nose—Purina with a $40 million to $50 million push for an expanded Purina O.N.E. line, and Kal Kan with a $50 million introduction of Expert "scientific" pet foods.

Right on their tail is Quaker, which will spend $37 million to tell the story of new "advanced formula" Cycle dog food.

"It will be an extremely competitive year," said Terry Block, VP-director of pet food marketing for Purina.

At stake is not only money and market share, but the future direction of the pet food industry and where its products are sold. As pet food sales in supermarkets have slowed, sales in specialty outlets have boomed.

Purina, Kal Kan and Quaker want to collar in supermarkets consumers who are making special trips to pet shops and veterinarians' offices to buy the superpremium brands of Hill's Pet Products and Iams Co.

"If this isn't the biggest event in the category in years, it's one of the biggest," said Doug Mills, VP at Quaker and general manager of its pet food division. "With the change in where pet food is being sold—with $1 billion now sold outside supermarkets—this is a big event. That's an indication of how big the opportunity is."

"Just as Americans have discovered they need to be conscious of their own health, I think that in the area of pets, people, in one sense, are simply projecting their own anxieties and perceptions on their animals," said John Murray, VP-sales and marketing for Kal Kan.

"I see Expert as analogous to [ConAgra's] Healthy Choice," he said.

"Life-stage nutrition" is a core concept of all three brands. Like Iams and Hill's Science Diet, all three will be sold in different formulas to match a pet's age and activity level. Like Iams and Science Diet, all three carry premium price tags.

"We asked our retail customers 'Would grocery stores have accepted a superpremium pet food line four years ago?' They said, 'No, no way,'" Purina's Mr. Block said. "First, we had to establish that you could sell a superpremium pet food in supermarkets. The original O.N.E. has done that, and as retailers' knowledge of category dynamics has grown, now we can expand the line."

"With the change in where pet food is being sold—with $1 billion now sold outside supermarkets—this is a big event."

To the original O.N.E. (Optimum Nutritional Effectiveness) dry dog food, introduced four years ago, Purina has added puppy and Lite Dog formulas, plus O.N.E. cat and kitten formulas.

Purina had tested a line of canned dog and cat foods as well and a line of dog treats.

"We culled these 17 dry food items out as the best," Mr. Block said. "We want consumers to be able to buy Purina quality products anywhere they choose to shop."

To that end, Purina continues to

(Continued on Page 43)

Reebok teams with George Lois

By Pat Sloan

Reebok International's Pump is being pumped up by a new ad agency and a new "competitive" strategy in a campaign that broke during Super Bowl XXV.

In a departure from its usual style, the athletic shoe marketer took a direct shot at Nike, its primary competition, in TV spots featuring pro athletes Boomer Esiason and Dominique Wilkins.

The spots kicked off Reebok's new $20 million advertising and promotional effort being handled by Lois/GGK New York, instead of agency of record Hill Holliday, Connors, Cosmopulos, Boston.

The Lois/GGK work has sparked speculation Reebok's relationship with Hill Holliday is strained, especially since media buying was switched to DeWitt Media, New York, last fall. But VP-Marketing Services David Ropes denied any problem.

"I made it clear to them as I did when we named DeWitt for media buying that I have a philosophy on a project basis of going to where the creative talent lies," he said. "Will I engage another agency from time to time on a project basis? Yes."

Hill Holliday executives declined comment; sources indicated the agency was upset but had little recourse.

In a 30-second spot, Mr. Esiason, quarterback for the Cincinnati Bengals, takes a poke at Nike endorser Bo Jackson, a Los Angeles Raiders running back.

"Hey, I switched to the Pump for support, protection and a custom fit," Mr. Esiason says. "Which means Boomer knows something that Bo don't know: pump up and air out." He then throws a pair of Nikes off-screen.

Dominique Wilkins of basketball's Atlanta Hawks mentions

(Continued on Page 46)

Reebok takes a competitive swipe in a spot featuring the Atlanta Hawks' Dominique Wilkins.

Upscale titles finally feel it

War, overcrowding contribute to surprise first-quarter losses

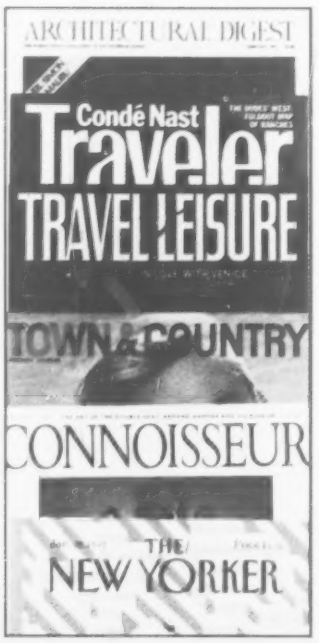
By Scott Donaton

The perception that upscale magazines are immune to economic downturns has been shattered by the realities of war, dwindling ad budgets and changing consumer values.

The bottom dropped out suddenly in the first quarter for the consumer titles edited for the affluent that had escaped the ad page declines posted by many last year.

Short-term factors such as the Persian Gulf War have played a significant role in the falloff, as travel and corporate image advertising—mainstay categories in most upscale magazines—have been scaled back drastically. But industry observers say publishers must also address long-term issues, such as overcrowding and shifts in consumer values.

"Clearly, there's always the perception that the rich are protected from dips in the economy, [but] the current downturn has exploded that conventional wisdom," said Patrick DiChiro, managing director of the Prestige Marketing Group, which specializes in the luxury goods market.



"When we went into January and people started beating the war drum, we just had the bottom fall out," said Steven T. Florio, president of Advance Publications' *The New Yorker*. "I lost half of all of the travel advertising that was booked [for the first quarter] in one day, and I lost the other half the next day."

The result? Instead of being up 40 ad pages in the first quarter as projected, *The New Yorker* will be down 65 pages.

The New Yorker had projected the first quarter of 1991 would be even better than 1990, when it saw ad pages rise 1.9%.

Gourmet, Conde Nast Traveler, HG and *Art & Antiques* were also on the plus side last year, but *Architectural Digest, Yachting, Town & Country, Travel & Leisure, Golf Digest, Golf Magazine, Bon Appetit, Smithsonian, Con-*

(Continued on Page 44)

'USA Today' has eye on baseball

By Eric Weissenstein

ARLINGTON, Va.—*USA Today*, in a bid to broaden its sports coverage, will start publishing *USA Today Baseball Weekly* in April.

Thomas Farrell, exec VP-general manager of *USA Today*, will also be publisher of the new tabloid. The first issue will appear April 5, the Friday before opening day of the 1991 baseball season.

In adding a sports weekly to the in-depth coverage already provided by the daily, *USA Today* will position itself to compete more directly with national sports weeklies such as *The Sporting News* and other baseball publications like *Baseball America*, Mr. Farrell said. He denied the weekly is a reaction to or will compete with *The National*, the troubled national sports daily.

"Seeing the reaction to our daily newspaper, there seems to be a strong demand for more statistical information regarding the nation's pastime," Mr. Farrell said.

USA Today Baseball Weekly will carry a cover price of $1 and be sold at newsstands and by subscription.

Preliminary ad rates for color ads are $5,365 for the back page, $9,389 for a center spread and $4,471 for a full page B&w; rates range from $1,325 for a quarter-page to $6,955 for a center spread.

There may be some early discounts to attract advertisers, Mr. Farrell said.

Ad packages will be offered for both *USA Today* and the weekly, Mr. Farrell added, with *Baseball Weekly* available as an add-on to *USA Today* advertisers. No advertisers have been secured yet.

Both the major and minor

(Continued on Page 46)

FAXTRACK

A monthly reader poll

312-649-5331

Or mail to: FaxTrack
c/o Advertising Age
740 Rush St., Chicago, IL,
60611-2590

Please photocopy your response on standard size paper and fax to us

■ Paycheck blues

1. How big was your raise?
- [ ] No raise
- [ ] 1% to 2%
- [ ] 3% to 4%
- [ ] 5% to 7%
- [ ] 8% to 10%
- [ ] More than 10%

2. How much did you expect?
- [ ] No raise
- [ ] 1% to 2%
- [ ] 3% to 4%
- [ ] 5% to 7%
- [ ] 8% to 10%
- [ ] More than 10%

3. Will your standard of living increase or decrease next year?
- [ ] Increase
- [ ] Decrease
- [ ] No change

4. Are you thinking of changing jobs because of your raise?
- [ ] Yes
- [ ] No

5. Does your raise reflect your job performance last year?
- [ ] Yes
- [ ] No

■ Bossy, bossy!

1. Do you like your boss?
- [ ] Yes
- [ ] No

2. Do you respect his/her opinion?
- [ ] Yes
- [ ] No

3. Do you consider him/her a mentor?
- [ ] Yes
- [ ] No

4. Do you trust him/her to look out for your interests?
- [ ] Yes
- [ ] No

5. How often do you and your boss interact?
- [ ] Several times a day
- [ ] Daily
- [ ] Couple times a week
- [ ] Weekly
- [ ] Less than once a week

6. Would you prefer
- [ ] More interaction
- [ ] Less interaction
- [ ] No change

■ Off the track

1. Is the quality of high-school education better or worse than when you attended high school?
- [ ] Better
- [ ] Worse
- [ ] Same

2. Would you favor paying a tax increase directed toward education?
- [ ] Yes
- [ ] No

3. Are recent college graduates you work with more or less prepared to enter the work force than you were?
- [ ] More
- [ ] Less

I work at
- [ ] An advertiser
- [ ] An agency
- [ ] A media company
- [ ] Other

Do you consider yourself to be
- [ ] Upper management
- [ ] Middle management
- [ ] Worker bee

■ *Corner office: Peter Schweitzer*

Glenn Trest

Although the office of J. Walter Thompson Co. Vice Chairman Peter Schweitzer exudes comfort, the chances are that the self-confessed sailing nut would rather be tacking up the Detroit River than overlooking it from the office on the fifth floor of the Renaissance Center.

His walls sport memorabilia from his 40-year passion, along with some off-the-wall items, including a 19th century lifeboat compass; a 126-year-old desk and drawing table from the agency's original New York offices; and an antique Canadian army helmet presented to him by Ronald Burns, now ceo of JWT North America, New York. "[Mr. Burns] said I'd need the helmet for Ford meetings," says Mr. Schweitzer, adding that he dons the iron headgear "when things need shaking up."

—John P. Cortez

HAPPY CAMPERS

Surprisingly, 'benefits programs are expanding, not contracting'; a glance at how marketers' plans stack up

With unemployment at a recent high, it seems companies would be more interested in how to unload employees than in how to keep them

As it happens, the opposite is more to the point, with companies taking a long-term view and putting together increasingly comprehensive benefits packages for employees.

"Benefits programs are expanding, rather than contracting," says Darlene Aiken, news coordinator for corporate news services at Eastman Kodak Co. "Many corporations, including Kodak, have cut back on the number of employees. If we are going to cut back, we need to get a hold of the very best employees, and this is a way to do that."

Ms. Aiken also says Kodak has found aggressive benefits packages can be extremely cost-effective. "It is more cost-effective to retain employees rather than to recruit and train new ones," she says.

Changes in demographics have forced corporations to reconsider what benefits work best in attracting and keeping top-notch employees, however.

"With the increasing number of women, two-career families, single parents and children of the elderly in the work force, there needs to be flexibility and support for employees to be productive in the work place," says Jeff Leebaw, manager-editorial services, Johnson & Johnson.

Boosting productivity isn't companies' only motivation in adding flexible benefits programs. With about 80% of working women in their childbearing years and an estimated 80% expected to have children during their careers, accommodating workers with families has become a business necessity.

"We created these programs basically because of the changing nature of the work force," says Tim Huelsman, director of employee benefits at Warner-Lambert Co. "It is critical to attract and retain the changing components of the work force."

To get a fix on how marketers' benefits stack up, free-lance writer Wendy Hickey contacted the top 24 Leading National Advertisers of 1989. Of those, 14 told *Ad Age* what salaried employees can expect beyond a paycheck.

To provide a complete view of the benefits programs at these companies, we asked for a rundown of the basics, such as vacation days after one year and compensatory time, as well as more progressive concepts, such as part-time tracks for executives who need to cut back from full-time work, or "telecommuting."

"It is critical to attract and retain changing components of the work force."

Here's what we found:

programs for employees who choose to work from home via computer, modem and the telephone.

■ *Employee matters*

Benefits bend toward family

	Maternity leave	Paternity leave	Vacation days after 1 year	Personal days	Overtime pay	Comp time	Christmas bonus	On-site childcare	Childcare referrals	On-site elder-care	Elder-care referrals	Telecommuting	Extended leave	Part-time track	Job sharing	Parking	Dress codes	Flexible hours	Summer hours	Minorities on board	Women on board
Time Warner	✓	✓	20**	2	OT**						E C	✓	✓	✓			✓	✓	0 of 24	2 of 24	
Ralston Purina Co.	✓	✓	10	1		✓						✓	✓	✓	P		✓	✓	0	0	
Sears, Roebuck & Co.	✓	✓	10	3								✓	✓	✓	P	✓	✓		1 of 16	3 of 16	
General Motors Corp.	✓	✓	10		OT	✓	✓					✓	✓	✓	P		✓	✓	1 of 18	2 of 18	
Warner-Lambert Co.	✓	✓	10	3	OT						E C	✓	✓	✓	P		✓	✓	1 of 16	1 of 16	
Eastman Kodak Co.	✓	✓	10		OT	✓						✓	✓	✓	P		✓	✓	2 of 15	2 of 15	
Ford Motor Co.	✓	✓	10	5	OT						E C	✓	✓	✓	P		✓		2 of 17	1 of 17	
K mart Corp.	✓	✓	10	8**	OT							✓	✓	✓	P	✓	✓		2 of 11	2 of 11	
AT&T Co.	✓	✓	10	8		✓					E C	✓	✓	✓	P		✓		0 of 18	2 of 18	
Kellogg Co.	✓	✓	10	3	OT						I C	✓	✓	✓	P	✓	✓		2 of 13	2 of 13	
R.J. Reynolds Tobacco Co.	✓		10	5	OT	✓					E C	✓	✓	✓	P		✓		NA	NA	
Procter & Gamble Co.	✓	✓	10	2								✓	✓	✓	P		✓		1 of 17	1 of 17	
Pepsi-Cola USA**	✓	✓	10		OT						E C	✓	✓	✓	P			✓	1 of 14	1 of 14	
Oscar Mayer Foods Corp.	✓	✓	10		OT	✓						✓	✓	✓	P	✓	✓		2 of 22	4 of 22	
Johnson & Johnson	✓	✓	10	∞	OT		✓	✓	✓	✓	E C	✓	✓	✓	P		✓		1 of 18	2 of 18	

Source: Advertising Age

∞ variable
* unpaid leave
** does not apply to all employees
† various restrictions apply
§ informal policy

KIMBERLY MART

SEEING RED IN MOSCOW

Trying to run agency outpost in Russia is daunting as exec tries to overcome phone phobia, paperwork and five-course lunches

By Joel M. Ostrow

For Bill Munsell, chief operating officer of the first joint venture between a Soviet and U.S. ad agency, communications problems cause him to work "twice as hard as in the U.S. but get half as much done."

His workday at Young & Rubicam/Sovero in no way mirrors what it was in Cedar Rapids, Iowa, where Mr. Munsell, now a Y&R exec VP and director, was chairman of Y&R-owned Creswell, Munsell, Fultz & Zirbel.

"You work a kind of funny clock because you have a day here, and then by 5 o'clock you begin a second day," when he can reach New York.

But even with the luxury of a direct line, chronically busy international circuits mean it still takes a half-hour to place a call to the West, and conversations often are cut off inexplicably.

As a result, the 65-year-old Mr. Munsell is regularly in the office past 10 p.m. trying to talk to Y&R's Western clients.

He says there's a "a vast difference" between what he does here and what he was accustomed to at CMF&Z. Mr. Munsell says his primary task is to position the agency for clients "who will want to be here in the future."

His own goal when he arrived here in early June was "to make a contribution to building a communications resource in a unique place." But, he warns, "the guy who comes in and expects to accomplish a lot in a hurry will be frustrated and disappointed."

Take lunch, for example. No business is conducted over lunch because "lunch here isn't lunch, it's dinner," he says.

Elaborate, five-course meals in restaurants last three hours, and few places allow for a quiet business conversation over a quick bite.

So Mr. Munsell makes do with cold hot dogs and watery mashed potatoes in the noisy bars at the International Trade Center, where Y&R's offices are located, or retreats to his 450-square-foot apartment in the adjacent hotel for a sandwich of peanut butter and jelly—imported from the U.S.

And absolutely no business is conducted over the telephone, Mr. Munsell says. "No one will talk on the phone." Partly a cultural difference, partly tied to lingering fears of KGB wiretaps, Soviets demand that all business discussions be face to face.

Mr. Munsell first must meet with Soviet officials to discuss proposals, then write them in a "protocol," a non-binding letter of intent, before any decisions can be reached, he says. That paperwork can then be faxed to the various parties involved. "Everybody's got a fax," he says. But with faxing comes the familiar telephone problems.

The Working Life

Bill Munsell is learning to "work a kind of funny clock."

Seven months into his two-year stint, Mr. Munsell is a bit disappointed with his progress.

"I'd love to look back at the end of two years and say I'm leaving [it] a better place, and I think I will be able to point with pride to certain things," he says. "I think the bad news is the list won't be as long as I would have liked. However, one must make beginnings, and we've made one." □

Joel M. Ostrow is Advertising Age's *Moscow correspondent.*

Tools of the trade

MACUSEFUL

Training center brings expertise to the agency's door with hands-on schooling to get the most out of the shop's computers

By Julie Steenhuysen

No matter how many thousands of dollars an agency spends on a computer system, some terminals often end up as plastic desk ornaments because users are too busy working to figure out how to use them.

That's one reason Mind Over Macintosh, a California computer training company, devised Co-piloting, a one-on-one training program using a student's own work.

"It's only through watching the computers gather dust that people become aware of the need for training," says Bruce Kaplan, founder and president of MOM.

Conventional computer training generally is offered at a central training facility using prescribed course work. While most training companies are willing to offer one-on-one training at a customer's request, Co-piloting was designed specifically with ad agencies' needs in mind.

"Co-piloting allows [students] to actually create an ad with somebody there helping them do that, rather than going through a set of prescribed motions," says Shannon Pitts, director of creative technology at Ogilvy & Mather Worldwide, Los Angeles, and a MOM client.

At Ogilvy, for example, 10 art directors have each completed 11 hours of classroom work in Quark XPress and are waiting to schedule their Co-piloting hours around clients' projects, Mr. Pitts says.

Rubin Postaer & Associates has been working with Mind Over Macintosh trainers since the agency purchased its Macintosh system two years ago.

"We use Co-piloting a lot in presentation services," says Sylvia Orzel, computer operations supervisor. "The Co-piloting has worked very well there because with deadlines, you don't have the time to 'futz' around."

However, she says, it can be expensive. The basic rate for Co-piloting is $90 per hour with a three-hour minimum, but agencies can get volume discounts, says Justine Rosenheck, MOM marketing director.

In some cases, agencies can bill clients directly for work done while Co-piloting, helping pass on the costs of the training.

Ogilvy has spent a total of $12,640 on computer training, with $4,320 set aside for Co-pilot training, all of which will be conducted on clients' time.

Mr. Pitts says the fact that Co-piloting was billable influenced his training plans.

"It was definitely a factor in that it was going to pay for itself. There is the initial cost of [the classroom] training, but that is easily offset by the amount of money we can save doing our mechanicals and type in-house."

Because type and mechanicals normally would be produced at West Graphics, Ogilvy's production studio, a billing structure for computer time already is in place. Mr. Kaplan says many agencies do not have similar billing guidelines.

At Rubin Postaer, for example, art directors use the computer for type and as a comping tool.

"We don't use [the computer] for finished work, so it really isn't billable," says Bob Francis, VP-associate creative director and manager of collateral advertising.

"If you could bill it out, it would pay for the training. But I'd hate to try to figure out what that rate ought to be, because you'd sure be slow [getting the job done while training]," he says.

Mr. Pitts, however, argues a project completed during Co-piloting would still be faster than using traditional tools.

"I'm always there if anybody has any problems," he says.

For Mr. Francis, Co-piloting has another draw.

"It sounds like a lot of money, but ultimately it's the hook of spending an afternoon [with a trainer] that gets people to use [the computer]."

Macintosh "is the simplest computer on Earth. For the power vs. simplicity, it's as good as it gets. But let's face it, it's still pretty damn tough," he says. □

THE AX

(Continued from Page 27)

unexpected news. Former client McDonald's Corp. was returning with $55 million in business.

The agency also won two other pieces of new business, with the upshot being, "All of these [Maybelline] people are still at the agency—and doing something else," Ms. Gillette says.

While that might be attributed largely to luck, Ms. Gillette says the agency has never engaged in mass firings.

"You can't turn around and grow if you just take an ax to people," Ms. Gillette says. "It's ridiculous. It's not how great agencies are built."

But if the replacement business doesn't come along, the agency absorbs greater losses and the people eventually fired not only are left hanging, but may miss out on new job opportunities.

"It seems to us that once a [client's] decision is irrevocable, it does no one any good to allow things to fester," Mr. Wilhite says.

"It doesn't make sense to be Pollyannaish about the future; [to say] we've got all this experience in a given category and in 60 days we'll have an account in here to take its place.

"I think it's more appropriate to make the presumption that you won't get that income back instantaneously. You have to realign the organization to maintain its fiscal health."

When agencies make large staff reductions, they tend to hit the working grunts first, apparently assuming senior people retain and attract clients.

But doing so risks "cutting off the agency's hands and feet," says Mr. Roth. His answer: Cut fewer low-level jobs and reduce senior executives' salaries.

Proper handling of the psychological impact of account losses, on individuals and the entire agency, is difficult but critical, agency executives say.

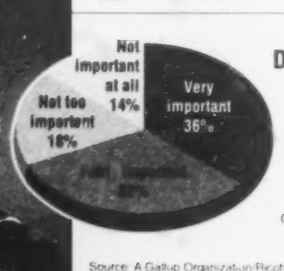
If employees must be released, "you do it as compassionately as possible, and as fairly as possible," says Mr. Wilhite.

As to how to handle remaining employees, "It is critical that you remind the agency that this [client] decision is not a blanket indictment of our capabilities in any way," he says.

"You work hard to restore the confidence of the organization in itself," he continues, "because they are the very people who are . . . going out to acquire additional business that will replace that which was lost." □

DataTrack

Index Stock Int'l



Don't come as you are

How important are office dress codes?

Source: A Gallup Organization/Ricoh Corp. poll of 500 office workers

MEDIAWORKS

Titles bid soft year adieu

By Scott Donaton

December 1990—like December 1989—was a soft month for magazine ad pages. But 1989 was a record year for the industry; 1990 was a minor disaster.

Magazine ad pages dipped 1.1% to 15,202.2 in December 1990 compared with the year before, Publishers Information Bureau reports. PIB-tracked titles finished 1990 with 171,689.1 ad pages for the year, down 3.7% from 1989.

Ad revenues rose 1.9% to almost $6.8 billion for the year, PIB reports. But that figure doesn't take into account off-rate-card deals and on-rate-card discounts, now common practice.

Overall, 74 of the top 100 magazines—including nine of the top 10—suffered ad page declines in 1990, while 25 posted gains. *Entertainment Weekly* made its debut on the top 100 list in its first year of publication, with 905.8 ad pages.

For the 16th consecutive year, McGraw-Hill's *Business Week* carried more ad pages than any other U.S. magazine, though pages fell 10.3% to 4,407.

Forbes finished a strong second despite the death last year of founder Malcolm Forbes, which industry observers had predicted would hurt the every-other-weekly. It carried 3,939.2 ad pages in 1990, up 0.9%.

Rival *Fortune* saw pages fall 11% to 3,360.2, finishing fourth overall. *People* was third with 3,625.8 ad pages, down 3.9%.

The clear-cut winner in the business field was the North American edition of *The Economist*, bucking the downward trend to finish the year 11th overall with 2,643.8 ad pages, a 12.3% gain.

The revenue leader for the year was Time Warner's *Time*, with $381,852,410, up 2.3%. Time Warner titles filled the second and third spots, too: *People's* revenues rose 6% to $345,791,839, while *Sports Illustrated's* $335,690,172 was a 0.3% decline.

TV Guide ($320,308,116, down 0.8%) and *Newsweek* ($253,253,187, down 1%) rounded out the top five.

In addition to *Business Week* and *People*, other top weeklies clearly were among the hardest hit by the downturn in magazine advertising.

Time's ad pages were relatively flat, down 0.2% to 2,727.9. *Newsweek* carried 2,302 ad pages, a 7.7% drop. And *U.S. News & World Report's* 2,010.9 pages represented a 2.1% decline.

Sports Illustrated had 2,672.4 pages, down 10.4% and *New York Magazine*, with 2,657.5 pages, was off 14.1%.

The New Yorker finished the year on the plus side with 2,456.3 ad pages, a 1.9% gain over 1989.

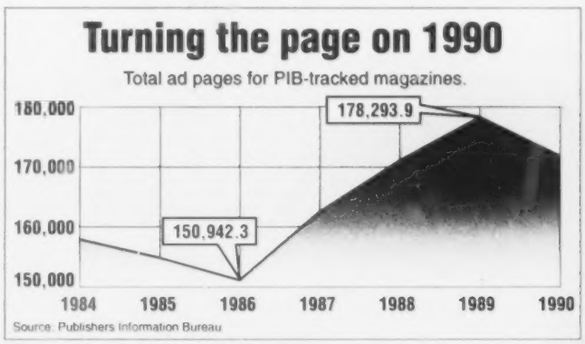
As expected, *Good Housekeeping* regained its position as the ad page leader in the women's service field, passing *Family Circle*. *Good Housekeeping's* ad pages rose 2.3% to 1,740.4. Perhaps more significantly, *Family Circle's* pages fell 16.5% to 1,684.9. *Ladies' Home Journal* finished third in the field with 1,532.3 ad pages, down 5.2%.

Many upscale or affluent magazines—once considered "recession-proof"—also registered declines in 1990, an indication of how widespread the advertising downturn has become.

Architectural Digest carried 1,821 ad pages, a 3.8% drop. *Yachting*, with 1,623.9 ad pages, was down 2.1%. And *Town & Country's* 1,606 pages were off 3.6%.

Parenting magazines received mixed signals last year. Category leader *Parents* carried 1,487 ad pages, down 3.7%. But *Parenting* was up 14.4% with 837.7 ad pages. *Child*, which last year increased frequency to 10-times-yearly from every-other-monthly, finished the year with 576.1 ad pages, up 10.3%.

Among titles bucking 1990's downward trend: *Entrepreneur* (2,004.4 ad pages, up 14%); *Mirabella* (1,088.3, up 48.7%); *HG* (1,079, up 9%); *Financial World* (966.1, up 24.3%); *Art & Antiques* (830.2, up 10%); *The Atlantic* (702, up 13.4%); *Longevity* (440.8, up 46.3%); *Decorating Remodeling* (427.2, up 89.6%); and *Cooking Light* (382.8, up 9.9%). □



JOHN SMITHER

Magazine ad page leaders

Publishers Information Bureau figures for 1990.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Business Week	4,407.02	(10.3)	245,886,035	(5.6)
2	Forbes	3,939.25	0.9	169,455,846	7.5
3	People	3,625.78	(3.9)	345,791,839	6.0
4	Fortune	3,360.17	(11.0)	161,774,642	(3.3)
5	Bride's	3,172.57	(5.6)	56,176,029	1.6
6	TV Guide	2,966.02	(8.9)	320,308,116	(0.8)
7	Vogue	2,965.86	(10.7)	108,081,835	7.0
8	Time	2,727.93	(0.2)	381,852,410	2.3
9	Sports Illustrated	2,672.38	(10.4)	335,690,172	(0.3)
10	New York Magazine	2,657.54	(14.1)	43,434,140	(8.4)
11	The Economist	2,643.82	12.3	23,069,564	26.3
12	Modern Bride	2,576.13	3.4	41,107,014	6.9
13	The New Yorker	2,456.31	1.9	61,232,176	13.3
14	Newsweek	2,302.04	(7.7)	253,253,187	(1.0)
15	Elle	2,297.51	(1.0)	67,721,832	8.1
16	Cosmopolitan	2,156.41	(8.3)	129,913,724	3.3
17	GQ	2,030.57	(9.0)	49,573,439	(0.7)
18	U.S. News & World Report	2,010.93	(2.1)	159,338,356	4.3
19	Entrepreneur	2,004.44	14.0	19,682,672	38.9
20	Rolling Stone	1,990.08	1.3	76,037,112	7.0
21	Glamour	1,855.21	(5.3)	94,877,938	6.8
22	Architectural Digest	1,820.97	(3.8)	48,183,194	4.6
23	American Way	1,780.00	(6.2)	24,633,662	18.9
24	Good Housekeeping	1,740.43	2.3	163,240,991	10.3
25	Family Circle	1,684.85	(16.5)	137,273,222	(10.4)
26	Yachting	1,623.93	(2.1)	10,173,077	1.5
27	Town & Country	1,605.97	(3.6)	39,218,588	8.1
28	Ladies' Home Journal	1,532.25	(5.2)	109,404,461	4.5
29	Mademoiselle	1,494.93	(9.4)	48,951,987	0.5
30	Parents	1,487.01	(3.7)	59,636,244	(1.2)
31	Sunset	1,474.24	(1.9)	45,916,902	3.5
32	Vanity Fair	1,472.54	(1.0)	49,894,916	19.9
33	Skin Diver	1,450.92	6.5	13,517,873	12.1
34	Harper's Bazaar	1,426.03	(2.0)	37,433,759	4.1
35	Travel & Leisure	1,419.86	(6.4)	58,631,236	9.9
36	Woman's Day	1,408.12	(21.4)	99,101,166	(26.9)
37	Texas Monthly	1,404.09	2.2	16,349,018	10.4
38	W	1,352.99	(11.6)	31,081,973	(0.2)
39	Gourmet	1,332.83	1.3	35,274,330	11.5
40	Popular Photography	1,296.00	17.7	32,117,041	26.1
41	Golf Digest	1,287.91	(3.4)	66,702,279	4.2
42	Car & Driver	1,283.36	(1.5)	49,674,355	(8.5)
43	Muscle & Fitness	1,272.44	(15.5)	21,825,408	(7.8)
44	Better Homes & Gardens	1,266.98	(11.3)	143,544,885	(5.8)
45	Self	1,259.70	(6.5)	46,849,170	10.7
46	Southern Living	1,252.86	(5.8)	63,930,677	4.4
47	Esquire	1,240.70	(6.8)	39,414,127	3.7
48	San Francisco Focus	1,214.47	(6.5)	8,125,426	4.2
49	Seventeen	1,206.21	(9.4)	37,183,109	(6.1)
50	Redbook	1,205.60	(3.6)	75,689,905	0.9
51	Money	1,204.52	(8.3)	75,779,599	(4.9)
52	Inc.	1,170.59	(4.9)	48,085,758	3.1
53	Road & Track	1,142.20	(6.6)	34,610,707	(8.1)
54	Country Living	1,111.35	0.5	44,414,547	4.3
55	Conde Nast Traveler	1,101.34	14.7	30,513,825	30.4
56	Golf Magazine	1,091.80	(5.9)	37,554,994	14.5
57	Mirabella	1,088.28	48.7	17,648,470	121.2
58	Metropolitan Home	1,087.97	(10.9)	35,194,052	(1.3)
59	Salt Water Sportsman	1,084.20	(19.2)	7,149,663	(10.9)
60	HG	1,079.05	9.0	26,527,283	13.0
61	Ebony	1,065.35	(7.3)	37,716,243	(0.8)
62	Jet	1,058.91	(5.3)	18,049,778	0.9
63	Reader's Digest	1,048.98	(5.5)	108,592,492	(4.5)
64	Bon Appetit	1,045.03	(0.8)	32,205,826	3.9
65	Bicycling	1,029.26	(6.5)	14,353,080	10.1
66	McCall's	1,010.61	(9.9)	73,433,029	(1.8)
67	Four Wheeler	1,004.26	(0.4)	8,057,610	6.5
68	Working Woman	1,004.21	(11.0)	32,075,947	0.4
69	Ski	989.87	(3.6)	18,903,493	(3.5)
70	Financial World	966.11	24.3	22,465,598	44.1
71	Smithsonian	947.30	(10.1)	40,994,931	(6.3)
72	Motor Trend	940.77	(8.3)	34,348,292	4.8
73	Skiing	923.87	5.5	18,007,900	(2.6)
74	New Woman	915.08	(9.2)	22,434,133	(3.9)
75	Black Enterprise	908.21	(0.1)	12,119,205	8.5
76	Entertainment Weekly	905.76	1,000.0	19,478,531	100.0
77	Essence	881.13	(0.1)	22,133,432	12.7
78	Delta Sky	849.76	(8.3)	21,586,845	(2.8)
79	Parenting	837.71	14.4	14,899,189	48.3
80	Popular Mechanics	833.29	(10.3)	26,255,995	(8.6)
81	Art & Antiques	830.22	10.0	5,313,176	27.4
82	Premiere	819.94	8.0	14,979,568	36.3
83	M Inc.	810.40	(6.4)	9,807,626	(0.6)
84	Outdoor Life	810.16	(14.0)	25,696,553	(7.2)
85	California	809.88	1.4	11,983,941	12.1
86	Hot Rod	808.45	(23.1)	19,414,367	(15.8)
87	Field & Stream	800.03	(14.0)	35,683,132	(10.7)
88	Yankee	798.79	3.7	12,200,543	40.9
89	Sports Afield	794.76	6.9	15,750,513	15.9
90	Connoisseur	776.29	(17.6)	13,311,642	(10.8)
91	Popular Science	763.07	(19.6)	22,526,183	(15.8)
92	Working Mother	752.82	(15.3)	17,743,674	(1.7)
93	Southern Accents	751.16	3.0	7,485,995	12.0
94	House Beautiful	744.63	(9.0)	27,192,508	(0.5)
95	Playboy	720.70	(2.7)	47,814,982	2.8
96	Tennis	713.01	(7.2)	23,904,708	38.5
97	Food & Wine	711.95	(4.7)	17,350,642	1.8
98	Atlantic	701.96	13.4	11,953,509	24.5
99	US	700.68	(8.0)	20,828,635	(7.0)
100	1,001 Home Ideas	668.38	(4.5)	18,914,566	(0.4)

Percent change compares 1990 figures with 1989. Source: Publishers Information Bureau

Eating Well, Charlotte, Vt.: Rate base to 350,000, up 55%; b&w page to $7,600, color page to $10,500, both up 6%; b&w cost per thousand to $21.72, color CPM to $30.00, both up 3%. Effective: May/June issue.

Fortune, New York: Rate base to 665,000, up 3%; b&w page to $35,060, up 8%, color page to $53,630, up 8%; b&w CPM to $52.72, color CPM to $80.64, both up 5.6%. Effective: Jan. 14 issue.

Harvard Magazine, Cambridge, Mass.: Rate base unchanged at 150,000; b&w page to $5,800, up 7%, color page to $8,500, up 9%; b&w CPM to $36.00, up 7%, color CPM to $52.00, up 9%. Effective: January/February issue.

House Beautiful, New York: Rate base unchanged at 950,000; b&w page to $28,195, color page to $47,490, b&w CPM to $34.05, color CPM to $50.00, all up 15%. Effective: January issue.

Mas, New York: Rate base to 565,000, up 13%; b&w page to $14,700, color page to $18,100, both up 13%; b&w CPM to $26.00, color CPM to $32.00, both unchanged. Effective: January issue.

Newsweek, New York: Rate base unchanged at 3.1 million; b&w page to $69,455, up 10%, color page to $108,050, up 7%; b&w CPM to $22.40, up 10%, color CPM to $34.85, up 7%. Effective: January 7 issue.

Soap Opera Weekly, New York, Rate base to 500,000, up 4%; b&w page to $5,670, color page to $7,000, both up 7%; b&w CPM to $11.34, up 16.7%, color CPM to $14.00, up 16.6%. Effective: January 8 issue.

TV Guide, New York: Rate base unchanged at 15.8 million; b&w page to $103,600, color page to $122,000, both up 8%; b&w CPM to $6.56, color CPM to $7.72, both up 8%. Effective: Jan. 5 issue.

Your Family, New York: Rate base unchanged at 32 million; color page to $329,600, up 3%; color CPM to $329.60, up 3%. Effective: January/February issue. □

Wayne Walley coordinates MediaWorks.

CONSUMER MAGAZINE AD LINAGE

	December 1990	December 1989	Year-end results 1990	Year-end results 1989
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	130.9	163.4	1,862.8	1,895.3
Automobile Magazine	58.7	74.7	790.3	726.3
Car & Driver C	99.2	117.8	1,283.4	1,302.3
Car Collector & Car Classics	22.0	21.3	202.1	208.3
Car Craft	60.9	54.9	840.0	904.0
Circle Track	59.5	64.7	944.2	1,005.9
Cycle	55.2	39.2	503.1	521.1
Cycle World	47.2	38.3	545.4	497.3
Dirt Rider	68.2	40.0	541.2	389.5
Dune Buggies & Hot VWs	73.4	67.7	890.0	826.3
Easyriders	30.7	20.2	340.9	280.7
Family Motor Coaching	129.8	144.1	1,964.0	2,135.2
4 Wheel & Off-Road	81.3	79.7	1,016.7	1,005.8
Four Wheeler C	82.6	86.6	1,004.3	1,008.1
Hot Rod C	57.2	63.4	808.5	1,050.7
Motorcyclist	30.6	29.2	476.7	468.1
Motor Trend C	95.0	82.9	940.8	1,026.2
Motorhome	89.9	91.6	1,246.7	1,151.0
Rider	30.4	33.7	383.0	399.6
Road & Track C	92.5	86.2	1,142.2	1,223.3
Trailer Life	106.1	83.6	1,129.2	1,098.5
Total Group	**1,501.2**	**1,483.2**	**18,855.3**	**19,123.4**
% change	**1.2%**		**-1.4%**	
■ Boating & yachting				
Boating	75.1	97.1	1,374.1	1,704.9
Chesapeake Bay	23.8	29.5	489.4	599.9
Cruising World	91.2	92.0	1,332.9	1,409.8
Lakeland Boating (11X)	—	—	877.5	991.8
Motor Boating & Sailing	58.7	81.9	1,287.1	1,581.7
Sail	69.9	69.8	1,196.9	1,300.5
Trailer Boats (11X)	—	—	599.6	696.2
Yachting C	98.8	107.4	1,623.9	1,658.0
Total Group	**417.4**	**477.7**	**8,781.4**	**9,942.8**
% change	**-12.6%**		**-11.7%**	
■ Civic/fraternal				
Elk (10X)	—	—	164.0	155.4
Kiwanis	—	—	173.1	144.4
Lion (10X)	8.5	7.0	65.0	70.6
Rotarian	17.8	14.9	204.6	158.9
V F W (11X)	23.5	22.4	309.1	310.7
Total Group	**49.8**	**44.3**	**915.8**	**840.0**
% change	**12.4%**		**9.0%**	
■ General				
American Health (10X) C	26.7	48.0	409.8	725.3
American Heritage (8X) C	39.4	65.2	366.1	422.7
American Legion	22.4	21.9	407.4	379.8
Art & Antiques (10X) C	71.5	69.9	830.2	754.8
ARTnews (10X)	101.8	102.0	1,171.0	1,191.0
The Atlantic A C	63.3	55.4	702.0	618.9
Bon Appetit A C	101.7	104.1	1,045.0	1,053.7
Cable Guide C	24.0	37.8	336.3	449.4
Caribbean Travel & Life (6X)	—	—	255.7	209.2
Changing Times C	40.9	57.8	637.7	627.9
Conde Nast Traveler C	83.3	87.0	1,101.3	960.4
Connoisseur C	81.3	82.7	776.3	941.9
Consumers Digest (6X) C	—	—	164.0	150.3
Cooking Light C	36.5	36.8	382.8	348.4
Departures N America (6X)	—	—	297.4	215.6
Ebony C	79.4	84.0	1,065.4	1,149.6
European Travel & Life (10X) C	52.9	75.2	548.1	581.9
Food & Wine C	87.2	81.7	712.0	747.1
Games (6X) C	—	—	34.1	96.8
Golden Years (6X)	—	—	207.4	287.2
Gourmet C	142.6	155.3	1,332.8	1,315.4
Harper's Magazine A C	35.5	32.2	389.0	362.0
Islands (6X)	—	—	414.4	399.2
Let's Live	40.0	42.0	589.0	563.0
Life C	80.2	77.3	655.9	811.0
Longevity C	37.3	56.3	440.8	301.3
Mature Outlook (6X) C	—	—	233.1	235.9
Modern Maturity (6X) C	32.9	50.5	227.4	256.0
Money C	115.4	129.7	1,204.5	1,313.4
Mother Earth News (6X) C	—	—	333.3	451.5
National Geographic C	27.9	18.5	281.9	247.9
National Geographic Traveler (6X) C	—	—	262.2	191.5
Natural History C	28.8	30.6	480.9	491.3
New Choices C	19.6	28.5	334.5	425.0
Prevention C	40.1	39.6	545.7	602.7
Reader's Digest A C	89.1	95.8	1,049.0	1,110.3
Saturday Evening Post (9X) C	—	—	317.2	353.9
Smithsonian C	71.6	93.1	947.3	1,053.2
Spin C	68.2	45.3	569.2	494.6
Town & Country C	143.8	160.6	1,606.0	1,665.6
Travel-Holiday C	16.0	18.0	419.1	409.8
Travel & Leisure C	132.3	148.2	1,419.9	1,516.2
Travelhost	1,212.8	1,213.0	15,354.7	15,203.0
Vanity Fair C	143.0	160.3	1,472.5	1,487.4
Yankee C	58.1	55.5	798.8	770.2
Total Group	**3,447.3**	**3,659.5**	**43,129.1**	**43,943.0**
% change	**-5.8%**		**-1.9%**	
■ Home				
Architectural Digest A C	124.6	137.1	1,821.0	1,892.3
Better Homes & Gardens C	103.2	115.9	1,267.0	1,428.7
Colonial Homes (6X) C	55.3	60.5	306.0	358.8
Columbus Monthly-Homes (4X)	—	—	114.5	134.1
Country Home (6X) C	57.0	54.4	360.4	453.1
Country Life (6X)	—	—	302.9	321.3
Country Living C	94.5	76.7	1,111.4	1,106.4
Family Handyman (10X) A C	—	—	385.5	464.7
Florida Home & Garden	58.0	65.5	836.8	1,038.1
Flower & Garden (6X)	—	—	197.2	216.4
Home C	30.7	39.4	632.6	675.7
Home Mechanix C	37.0	35.6	556.5	638.4
Homeowner (10X) C	18.7	24.7	271.7	339.8
Horticulture	42.1	34.9	499.5	450.0
House Beautiful C	43.3	55.7	744.6	818.3
House & Garden C	88.3	80.9	1,079.1	990.3
Metropolis	47.5	52.6	597.0	721.7
Metropolitan Home C	72.6	82.4	1,088.0	1,220.3
Midwest Living C	72.2	58.8	412.0	383.5
1,001 Home Ideas C	27.5	48.1	668.4	699.7
Organic Gardening (9X) C	31.0	33.0	384.6	426.9
Phoenix Home/Garden	56.5	63.3	765.0	887.1
Practical Home-owner (9X) C	52.3	—	418.1	312.9
San Diego Home/Garden	57.3	90.6	837.7	877.3
Southern Accents (11X) C	61.3	67.0	751.2	729.5
Southern Living C	79.1	85.6	1,252.9	1,330.0
Sunset Magazine A C	110.3	108.6	1,474.2	1,503.3
Workbench (6X)	—	—	236.0	257.8
Total Group	**1,420.0**	**1,471.1**	**19,371.6**	**20,676.6**
% change	**-3.5%**		**-6.3%**	
■ In-flight & other passenger				
Aboard Group (6X)	—	—	271.0	253.1
Alaska Airlines	58.2	61.4	852.1	775.0
America West Airlines	78.3	74.8	973.5	849.1
American Way (24X) C	114.5	130.3	1,780.0	1,896.7
Continental Profiles	40.5	55.7	599.0	699.5
Delta Sky C	57.8	63.1	849.8	927.1
Eastern Review	27.5	40.3	394.4	568.4
Pan Am Clipper	38.8	58.7	544.4	676.6
Southwest Spirit	50.3	63.5	661.0	762.4
Spirit of Aloha	33.8	29.6	405.5	299.8
TWA Ambassador B	37.0	—	453.0	—
United Vis A Vis	61.5	80.1	872.5	1,053.9
US Air Magazine	55.0	47.3	785.5	672.4
Total Group	**616.2**	**704.7**	**8,988.7**	**9,434.0**
% change	**-12.6%**		**-4.7%**	
■ Men's				
Esquire A C	115.4	129.6	1,240.7	1,331.1
Firehouse Magazine	20.6	33.3	445.8	493.3
Gentlemen's Quarterly A C	206.2	207.5	2,030.6	2,231.0
M Inc. C	46.5	62.7	810.4	866.1
Men's Health (6X)	—	—	130.4	—
Muscle & Fitness C	114.5	114.0	1,272.4	1,506.5
Penthouse A C	77.9	53.7	649.9	619.7
Playboy A C	82.5	67.2	720.7	740.5
Total Group	**663.6**	**667.9**	**7,300.9**	**7,788.3**
% change	**-0.6%**		**-6.3%**	
■ Metropolitan				
Aloha (6X)	—	—	278.5	276.5
Annapolitan	35.3	50.4	747.8	721.4
Atlanta	82.6	82.0	903.0	772.6
Baltimore	61.6	86.6	702.7	836.0
Boston	117.3	147.7	1,254.3	1,664.8
California C	68.5	102.0	809.9	799.0
Chicago	116.5	144.9	1,137.4	1,437.6
Chicago's North Shore	91.9	94.8	1,075.9	1,163.8
Cincinnati	46.6	92.4	524.4	642.3
Cleveland	44.9	69.6	528.3	677.3
Columbus Monthly	70.3	69.6	765.5	896.2
Connecticut	66.5	86.8	989.3	1,187.2
D Magazine	59.8	85.3	670.4	775.9
Detroit Monthly	74.0	90.0	720.0	793.0
Grand Rapids	49.0	29.5	441.6	479.0
Gulf Coast (13X)	74.2	31.6	529.9	375.6
Honolulu	58.9	67.3	698.9	676.6
Houston Metropolitan Magazine	107.9	52.1	855.5	763.9
Inside Chicago (8X)	—	—	169.5	220.0
Los Angeles	152.2	186.2	1,686.8	1,839.5
Louisiana Life (6X)	—	—	176.0	167.7
Madison	36.0	48.0	498.0	502.0
Memphis	54.8	61.5	680.4	761.8
Mid Atlantic Country	32.9	36.8	573.5	515.6
Milwaukee	54.8	70.3	730.2	688.3
Minneapolis/St. Paul	94.3	135.4	1,227.3	1,359.8
Minnesota Monthly Magazine	58.3	76.0	780.0	666.0
New Jersey Monthly	59.6	115.0	818.1	1,193.4
New Mexico	50.3	44.3	531.7	519.8
Ohio	37.7	28.4	634.9	616.7
Orlando	67.5	80.0	1,046.5	1,173.0
Pacific Northwest	39.0	41.1	574.7	579.0
Palm Beach Life	60.8	97.7	668.7	821.1
Palm Springs Life	97.3	108.1	1,429.1	1,450.4
Philadelphia	143.7	157.3	1,502.2	1,673.3
Phoenix	38.7	52.2	431.5	513.4
Pittsburgh	69.8	75.3	787.6	823.3
Rhode Island Monthly	50.0	71.0	683.2	703.8
Sacramento Magazine	71.9	83.8	718.2	703.9
St. Louis	76.1	59.9	640.8	589.9
San Diego	147.1	183.6	1,570.1	1,632.3
San Francisco Focus C	125.2	130.7	1,214.5	1,298.3
Sarasota (10X)	110.0	77.0	842.0	856.0
South Florida Magazine	85.7	112.2	1,081.0	1,327.7
Texas Monthly C	129.6	111.9	1,404.1	1,373.7
Ultra	74.0	53.4	850.7	504.3
Washington-Dossier	45.5	45.2	462.8	452.3
The Washingtonian	137.4	159.0	1,568.3	1,935.5
Total Group	**3,425.8**	**3,883.8**	**39,615.6**	**42,400.6**
% change	**-11.8%**		**-6.6%**	
■ Music/entertainment				
Audio	99.0	110.8	1,249.4	1,364.3
Dance Magazine	65.4	60.5	647.5	641.7
Playbill	55.4	64.1	560.4	623.1
Premiere C	121.9	89.7	819.9	759.3
Video Magazine	86.0	82.8	847.6	749.3
Total Group	**427.7**	**407.9**	**4,124.9**	**4,137.7**
% change	**4.8%**		**-0.3%**	
■ Outdoor & sport				
Alaska	50.9	52.6	499.9	472.6
The American Handgunner (6X)	—	—	341.0	326.0
American Hunter	13.9	14.9	269.6	298.2
American Rifleman	13.5	17.6	290.1	305.5
Backpacker (7X) C	49.0	40.2	275.3	229.8
Bass Master (10X) A C	37.2	38.9	623.4	752.9
Bicycling (9X) C	73.6	80.0	1,029.3	1,101.0
Ducks Unlimited (6X)	—	—	193.8	172.5
Field & Stream C	59.8	49.7	800.0	929.9
Fishing World (6X)	—	—	212.2	204.7
Florida Sportsman	90.4	101.5	1,359.9	1,436.5
Golf Digest C	126.7	126.4	1,287.9	1,333.1
Golf Illustrated C	—	44.7	558.7	499.6
Golf Magazine C	63.0	65.3	1,091.8	1,159.9
Guns	40.0	50.0	496.0	486.0
Guns & Ammo	42.6	44.1	587.6	543.1
In-Fisherman (7X)	35.0	47.4	466.5	479.5
Outdoor Life C	49.2	52.5	810.2	942.1
Outside Magazine	67.8	63.1	792.2	746.5
Petersen's Hunting	34.7	52.8	573.0	586.9
Runner's World (12X) C	38.5	29.5	503.6	460.8
Salt Water Sportsman C	58.3	71.3	1,084.2	1,342.5
Shooting Times	28.5	28.7	391.6	404.7
Sierra (6X)	—	—	227.4	275.0
Ski (8X) A C	211.9	179.2	989.9	1,026.3
Skiing (7X) A C	177.1	186.8	923.9	875.7
Skin Diver C	125.3	111.8	1,450.9	1,362.2
Southern Outdoors (9X)	—	—	406.9	482.1
Sport Magazine C	45.5	30.2	403.2	426.7
Sports Afield C	52.3	44.8	794.8	743.7
Surfing	57.3	60.2	889.9	1,098.3
Tennis C	52.5	42.9	713.0	768.3
Waterski (9X)	—	—	607.6	607.6
Western Outdoors (9X)	21.5	26.4	294.6	357.4
WindRider (8X)	—	—	468.9	384.9
World Tennis C	25.0	35.0	396.9	533.3
Total Group	**1,740.8**	**1,788.2**	**23,105.4**	**24,155.7**
% change	**-2.6%**		**-4.3%**	
■ Photography				
American Photo (6X) C	—	35.6	305.2	382.4
Petersen's Photographic	57.0	35.8	369.8	339.2
Popular Photography C	143.9	122.2	1,296.0	1,101.3
Total Group	**200.9**	**193.6**	**1,971.0**	**1,822.9**
% change	**3.8%**		**8.1%**	
■ Science/electronic/mech				
Discover C	33.1	39.5	424.4	466.8
Home Office Computing C	49.0	57.1	562.9	557.3
Omni C	76.5	69.8	655.0	716.2
Popular Mechanics C	69.2	69.2	833.3	929.0
Popular Science C	68.6	57.4	763.1	949.3
Scientific American C	58.4	70.0	536.6	526.2
Spectrum C	42.0	54.4	619.1	667.8
Total Group	**396.8**	**417.3**	**4,394.4**	**4,812.7**
% change	**-4.9%**		**-8.7%**	
■ Woman/fashion/service				
Bride's Magazine (6X) A C	461.0	533.6	3,172.6	3,358.9
Cosmopolitan A C	156.6	166.5	2,156.4	2,352.3
Elle C	196.8	229.8	2,297.5	2,321.5
Essence C	81.2	69.5	881.1	882.3
Family Circle (17X) A C	139.9	121.8	1,684.9	2,018.8
Glamour C	136.8	138.7	1,855.2	1,959.5
Good Housekeeping A C	163.0	173.9	1,740.4	1,702.0
Harper's Bazaar C	104.7	123.2	1,426.0	1,454.8
Health C	28.0	22.8	379.4	391.7
Imagen	40.7	42.0	1,069.9	1,056.2
Ladies' Home Journal C	124.2	146.2	1,532.3	1,616.2
Lear's C	43.1	55.8	632.8	650.0
Mademoiselle C	95.3	114.7	1,494.9	1,649.5
McCall's C	93.2	86.3	1,010.6	1,121.2
Military Lifestyle (11X)	56.1	—	617.4	530.4
Mirabella C	102.1	119.1	1,088.3	731.7
Modern Bride (6X) C	400.1	363.9	2,576.1	2,491.7
New Woman C	61.6	70.8	915.1	1,007.3
Parents Magazine A C	148.8	157.3	1,487.0	1,544.0
Redbook C	119.2	121.2	1,205.6	1,250.8
Savvy C	—	40.7	352.3	558.6
Self C	82.5	101.1	1,259.7	1,347.9
Seventeen C	56.6	68.8	1,206.2	1,331.7
Shape C	46.0	51.2	645.2	763.9
Soap Opera Digest (26X) C	28.4	25.9	413.6	469.3
Teen Magazine	39.8	31.3	606.0	585.6
True Story A C	50.4	49.4	627.7	681.6
Victoria C	66.2	44.7	600.2	418.0
Vogue C	215.9	246.0	2,965.9	3,321.9
W Magazine (26X) C	56.4	75.1	1,353.0	1,531.0
Weight Watchers C	33.8	28.2	423.6	402.4
Woman's Day (15X) A C	103.2	143.3	1,408.1	1,790.4
Workbasket	—	—	223.1	240.2
Working Mother C	57.5	83.7	752.8	889.2
Working Woman C	60.1	78.6	1,004.2	1,128.7
Total Group	**3,648.8**	**3,925.0**	**43,065.2**	**45,550.9**
% change	**-7.0%**		**-5.5%**	
■ Youth				
Boys' Life C	29.8	32.7	212.1	231.4
Campus Life (10X)	68.2	63.7	516.4	514.9
Total Group	**98.0**	**96.4**	**728.5**	**746.3**
% change	**1.7%**		**-2.4%**	
■ Business/national				
Barron's	133.1	153.4	1,718.2	1,846.5
Black Enterprise C	59.2	69.8	908.2	908.8
Business Week (52X) A C	479.1	421.8	4,407.0	4,914.2
Economist (52X) C	190.9	185.5	2,643.8	2,355.0
Entrepreneur C	150.4	120.4	2,004.4	1,758.5
Financial World (26X) C	48.2	63.9	966.1	777.2
Forbes (26X) C	285.3	301.9	3,939.3	3,905.8
Fortune (26X) C	300.0	309.5	3,360.2	3,775.0
Frequent Flyer	35.2	31.6	481.0	511.1
Futures	36.6	43.5	492.9	533.3
Inc. Magazine C	114.0	123.0	1,170.6	1,231.5
Income Opportunities	72.8	74.3	781.4	837.7
Industry Week (23X) A	41.2	54.1	1,042.6	1,119.6
Nation's Business (12X) A C	26.9	19.9	309.2	437.5
Success C	43.3	32.4	399.8	391.1
Total Group	**2,016.1**	**2,004.8**	**24,624.6**	**25,302.5**
% change	**0.6%**		**-2.7%**	
■ Business/regional				
Bus. Jrnl.-Milwaukee	109.7	97.0	1,729.7	1,798.0
Bus. Jrnl.-Sacramento	127.4	126.5	1,122.2	1,055.6
Bus. North Carolina	32.8	44.8	487.8	498.7
Capital Dist. Business Review (52X)	79.3	78.6	878.3	837.3
Caribbean Business	93.8	173.2	1,689.8	1,596.0
Corporate Rpt. Minnesota	50.1	48.4	643.7	745.0
Crain's Chicago Bus. (52X)	127.4	135.0	1,702.3	1,701.4
Crain's Cleveland Bus. (52X)	76.2	79.5	907.3	957.4
Crain's Detroit Bus. (52X)	112.9	113.9	1,069.2	1,020.2
Crain's New York Bus. (52X)	65.0	54.0	841.0	725.0
Florida Trend (13X)	30.4	31.2	541.7	610.8
Georgia Trend	46.3	58.0	495.4	582.8
Grand Rapids Business Journal	73.9	60.9	670.1	581.4
Hawaii Business	41.2	50.5	664.2	635.9
Houston Bus. Jrnl. (52X)	135.5	51.0	1,064.5	921.0
Indianapolis Bus. Jrnl. (52X)	179.6	149.1	1,873.4	1,957.0
Nashville Business & Lifestyle B	24.9	—	122.0	—
New England Bus. (12X) A	28.3	30.2	419.7	454.4
New Orleans City Bus.	65.8	43.6	661.3	510.0
Pacific Bus. News (52X)	119.6	113.7	1,385.3	1,275.2
Philadelphia Business Journal	131.7	166.3	1,438.4	1,804.7
Pittsburgh Bus. Times (52X)	91.0	134.1	1,174.9	1,409.0
Providence Business News	67.9	79.8	844.0	1,082.0
Regardie's/Washington	80.0	105.0	1,513.0	1,829.0
St. Louis Bus. Jrnl. (52X)	169.6	99.6	1,396.3	1,276.7
Warfield's Monthly Baltimore	45.0	47.3	698.5	710.1
Total Group	**2,180.6**	**2,171.1**	**25,911.9**	**26,574.5**
% change	**0.4%**		**-2.5%**	
■ National Sunday mags				
Parade (52X) C	83.0	65.5	740.5	717.9
USA Weekend (52X) C	60.9	55.1	685.5	643.7
Vista Magazine (52X)	31.4	21.9	296.0	254.1
Total Group	**175.3**	**142.5**	**1,722.0**	**1,615.6**
% change	**22.9%**		**6.6%**	
■ Newspaper Sunday magazine				
Boston Globe	129.5	189.6	1,881.0	2,421.0
Chicago Tribune	92.7	174.7	1,466.8	1,451.6
Cleveland Plain Dealer	80.1	91.5	766.5	862.2
The Dallas Morning News	48.8	66.2	646.0	762.0
Detroit Free Press	70.0	54.0	651.0	542.0
L.A. Times C	114.9	135.7	1,074.3	1,310.7
Louisville Courier-Jrnl	42.0	54.0	333.0	416.0
New York Times Magazine C	319.5	348.4	3,730.5	4,036.0
Philadelphia Inquirer	116.6	131.5	1,141.4	1,106.1
Seattle Times	132.0	88.0	1,063.0	894.0
St. Louis Post Dispatch	92.1	80.6	1,018.3	1,022.1
Toledo Blade Magazine	39.8	48.8	421.5	446.9
Washington Post	93.9	148.0	1,275.5	1,631.8
Total Group	**1,371.9**	**1,611.0**	**15,468.7**	**16,902.4**
% change	**-14.8%**		**-8.5%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	211.7	125.6	1,911.7	1,698.2
Army Times Military Group				
Air Force Times (52X)	136.8	118.5	1,888.5	1,900.8
Army Times (52X)	141.5	123.8	1,879.4	1,846.8
Navy Times (52X)	160.8	133.2	2,002.4	2,091.6
Capper's (26X)	13.1	14.9	330.0	352.5
Commonweal (22X)	5.0	10.2	99.6	89.5
Golf World (41X)	79.9	70.2	1,398.1	1,230.5
Grit (52X) A	24.0	18.3	422.3	403.0
Jet (52X) C	84.5	85.7	1,058.9	1,118.6
National Journal (50X) C	25.5	20.0	663.0	676.2
National Review (25X)	16.0	26.1	356.1	320.2
New Republic (48X)	40.1	39.3	457.0	531.7
New York Magazine (50X) C	329.8	363.9	2,657.5	3,094.9
New Yorker C	352.8	290.7	2,456.3	2,411.7
Newsweek (52X) A C	236.9	212.7	2,302.0	2,495.3
People (51X) C	418.7	413.4	3,625.8	3,770.8
Rolling Stone (25X) C	159.2	150.5	1,990.1	1,964.8
Sporting News (52X) C	47.2	29.9	521.3	586.8
Sports Illustrated (52X) A C	286.4	244.5	2,672.4	2,981.9
Time (52X) A C	280.8	227.3	2,727.9	2,733.9
TV Guide (52X) A C	234.1	253.7	2,966.0	3,255.1
US Magazine (26X) C	54.7	63.7	700.7	761.5
U.S. News & World Report (50X) A C	214.4	205.2	2,010.9	2,053.2
Total Group	**3,553.7**	**3,241.3**	**37,098.0**	**38,369.3**
% change	**9.6%**		**-3.3%**	

NOTES: Linage is given in paid ad pages. (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and percent change. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. *Ad Age* makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

CBS

(Continued from Page 1)

zell. "CBS News has been hurt by internal economics. I don't know if you can pin that on Dan Rather, but yes, he has been hurt by this. It's unfortunate because he is a hell of a reporter."

Other agency executives aren't so kind, describing Mr. Rather as "stiff" in his delivery as anchor and a primary reason that ratings for the "CBS Evening News" have suffered, dropping to an average 10.0 Nielsen rating during the 1989-90 TV season. In 1985-86, the half-hour evening telecast earned an average 13.3 rating.

"I have to believe CBS is looking for a replacement," said a media buyer who asked to remain anonymous. "He's been in trouble for at least three years with CBS executives and not just because of the ratings."

CBS, however, might not be able to make a change. News viewers tend to prefer stability and a change could mean losing more viewers to ABC, NBC and even CNN, which has reaped a windfall of attention during the Gulf war.

Mr. Rather couldn't be reached for comment, and CBS executives refused to speculate on his future, pointing out that he's still under contract. Instead, they defended their position as a network that delivers "quality" news coverage.

"We are in a totally different time. People aren't watching qualitatively but quantitatively," said George Schweitzer, senior VP-communications for CBS/Broadcast Group. "In cable homes, viewers have a 24-hour wire service, and they go for the pictures. Our main mission is to be reliable and give qualitative reports. People are still turning to CBS for our prime-time specials. They are watching what we have to say."

One factor hurting CBS and the other networks is the escalating cost associated with covering the Persian Gulf War.

Each network is facing the potential for at least $50 million in war-related news-gathering costs for about $1.5 million a week), in addition to their average $260 million to $350 million annual news division budgets.

High-level network executives say war news-gathering costs are threatening the companies' overall 1991 earnings.

"When all is said and done, we're talking about a net loss for the networks as a result of the war," said Peter Lund, exec VP at CBS/Broadcast Group.

Network executives agree that dramatic realignment and financing of their news divisions will be necessary in the coming years if the operations are to remain in business.

Industry experts say it is conceivable that the current financial crunch could force one of the networks out of the daily news-gathering business—a prospect ABC, CBS and NBC officials defiantly dismiss.

"I don't think you can make those kinds of decisions right now based on a war the likes of which have been fought only twice since World War II," said Howard Stringer, president of CBS/Broadcast Group and former CBS News president.

But, he said, "If we continue covering this war with the same initial level of intensity, there's no question we all will be staring at some serious deficits and long-term decisions. ... something has to give."

"I think the war dramatizes the issues we've all been wrestling with for some time now. It certainly has focused people's thought on the role of network news divisions in a system in which there is an all-news, all-war channel. And given the fact that the audiences and ad dollars are shrinking for all three networks, something has to give," Mr. Stringer said.

In a comprehensive but gloomy report, Richard MacDonald, a partner of MacDonald Grippo Riely, recently forecast a $125 million loss for the CBS TV network in 1991, and is advising clients to sell their stock.

However, Mr. MacDonald expects CBS Inc. to recover in 1992 to an overall $287 million in earnings, bolstered by a network recovery to $116 million in operating cash flow. □

Reports from Electronic Media, *a sister publication of* Advertising Age, *were included in this story.*

Bowl

(Continued from Page 1)

Diet Coke "Crack the Code" Super Bowl ads because they were no longer appropriate to the mood of the country, said Bob Bertini, manager-public relations, Cola-Cola USA. Lintas:New York handles Diet Coke.

It was a corporate decision, he said. No one had criticized Coca-Cola's earlier plans.

Coca-Cola initially had planned to devote all its Super Bowl advertising, starring actor Leslie Nielsen, to the Diet Coke "Crack the Code" promotion, running since mid-January.

Game pieces have been distributed on Diet Coke packaging that were to be held up to the TV screen during a special half-time descrambler spot.

Mr. Bertini said the descrambler commercial would run, but the creative was being changed on Friday to make it less frivolous and more straightforward.

"The ['Crack the Code'] commercials are very lighthearted in their approach with Leslie Nielsen, and we thought that with the seriousness of the situation they weren't appropriate for the Super Bowl audience in their previous form," he said.

At A-B, the brewer pulled one :15 segment of "Bud Bowl 3" that reportedly included an explosion. At press time, the brewer also was planning to replace one regular Budweiser spot with a "Here's to you America" patriotic commercial.

Also at the last minute, A-B bought at least one more :30 spot and rearranged its time slots. D'Arcy Masius Benton & Bowles, St. Louis, handles.

The Diet Pepsi promotion, billed as the world's largest toll-free call-in game, asked consumers to call during the Super Bowl to qualify for one of three $1 million prizes.

Pepsi said the promotion could handle about 3 million calls, and it expected that many calls to be made.

But the FCC said according to the U.S. Telephone Association the promotion could have generated 50 million calls which could severely cripple the nation's phone system.

But sales promotion executives questioned the figure. Jeffrey McElnea, president of Einson Freeman, Paramus, N.J., said it would be "more than unprecedented."

With 118 million viewers expected to tune in to the Super Bowl, 50 million calls would be more than one call per household, he said. Pepsi is not one of his clients.

"Off the seat of my pants, I'd say 3 million to 5 million calls would be correct," said Vincent Sottosanti, president of Comart-KLP, New York. Mr. Sottosanti doesn't handle any Pepsi business either.

The USTA said the 50 million call figure was based on information from Bellcore, a research company. Bellcore couldn't be reached at press time.

Mr. Sottosanti said if he were handling the Pepsi account, he would've checked with the FCC before launching the promotion, but Mr. McElnea said "it's not standard procedure" to check with the FCC.

Pepsi's troubles apparently began when local phone companies learned about the 800 number promotion. The USTA, as the trade association for local carriers, said it alerted its national membership of the promotion last week for fear it would tax the system.

One phone company source said someone even called the U.S. Department of Defense and asked that Pepsi be forced to cancel the promotion for security reasons.

The FCC contacted Pepsi, Super Bowl network ABC and the long-distance phone companies last week "to get assurances that the local exchange carriers wouldn't have problems Sunday," said Jim Spurlock, special assistant to the director of the FCC's Common Carrier Bureau.

He noted a letter from U.S. Rep. John Dingell (D., Mich.) to Pepsi, asking the marketer to kill the campaign, raised the same concerns.

Mr. Spurlock said concerns about overloading phone systems were particularly great in the New York state area—home of both Super Bowl teams, the New York Giants and Buffalo Bills—and that phones in the region might have been particularly crippled.

Pepsi said it still likes the idea of the phone promotion and couldn't say whether it would try it again another time. □

Steven W. Colford and Ira Teinowitz contributed to this story.

Pet food

(Continued from Page 3)

market Pro Plan dog and cat foods through the specialty channel and Clinical Nutrition Management products through vets only.

In supermarkets, Purina is also rolling out Nature's Course, positioned as an organic dry dog food (see story, Page 39).

Actor Robert Urich will tell the O.N.E. story in a network, spot and cable TV, and print campaign breaking this spring. The campaign, themed "Purina O.N.E. Second to none," is handled by Scali, McCabe, Sloves, New York.

Direct marketing will support, as will "detailing" to veterinarians—personal visits by Purina representatives.

Purina, like Kal Kan and Quaker, is recommending that retailers establish a self-contained superpremium pet nutrition center, with pamphlets on pet care and nutrition, and even interactive computers in some stores.

It's likely some supermarkets will feature a Kal Kan Expert center right next to a 4-foot O.N.E. pet nutrition center.

Kal Kan Expert, arriving on supermarket shelves this month, is the broadest of the three lines—36 items including canned and dry varieties of dog and cat foods, plus dog treats.

An extension of Kal Kan's flagship Pedigree dog and Whiskas cat food brands, Expert will be sold in various life-cycle formulas, including low-calorie, high-performance and senior (AA, Sept. 24).

Mars Inc.-owned Kal Kan will back Expert with a nearly $20 million network, spot and cable TV, and print campaign, said John Murray, VP-marketing and sales.

Co-op newspaper ads will appear in February, and the national TV campaign will start in early April, Mr. Murray said.

Backer Spielvogel Bates, New York, handles.

Expert will sell for about 20% less than specialty-store equivalents, Mr. Murray said. If consumers trade up, he said, the average annual expenditure for pet food in the U.S. should increase.

At about $60 a pet, the U.S. number is substantially smaller than the $95 spent on each pet outside the U.S., he said, reflecting the popularity of comparatively inexpensive dry pet food.

Quaker will boost the price of the 20-year-old Cycle line as it reintroduces Cycle with an "advanced formula."

Cycle will be marketed in the same varieties—canned and dry foods in puppy, adult, light and senior formulas. Unlike Purina and Kal Kan, Quaker isn't venturing into cat food with the brand.

The "advanced formula" version is made from higher quality ingredients, Quaker said.

"We've got one of the original 'nutritional' brands, and we've done well with it; it's a $100 million-plus brand," Mr. Mills said. "We see Cycle as a great vehicle to go after this business."

Cycle will be reintroduced in a network TV and print campaign set to break in early March. Quaker is currently testing creative work from incumbent agency J. Walter Thompson USA and Bayer Bess Vanderwarker, both Chicago.

A decision on which agency will handle the brand should be made in the next few weeks.

Nearly half the Cycle marketing budget will be used to push the line's 40-pound "Big Bags," Mr. Mills said 85% of dog food sold in specialty stores is sold in packages of 20 pounds or more.

Quaker is also making vets a key target of the Cycle relaunch, with ads in professional journals, product sampling and detailing. □

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The Green Marketing Revolution

Ad Age/Gallup poll
Exclusive data on how consumers rank corporate 'greenness'

Case studies
How Mobil, McDonald's, P&G and Loblaws are dealing with environmental pressures

Green confusion
Marketers grapple with an absence of national green guidelines

'Who's Who' in environmental marketing

One-on-One
Wal-Mart tells how its green tags are faring

Denis Hayes explains how to make sense out of green claims

To our readers

Thanks to all of us, the planet is in trouble.

From the factory owner who spills poison into our drinking water, to the teen-ager who swills soda from a disposable bottle, to the primitive hunter who kills rhinoceroses, we are all guilty of contributing to the world's growing environmental problems.

The funny thing about much of the environmental damage is that it has been accomplished while we were simply trying to do what human beings are supposed to do, improve their lives and make progress. Everything from the automobile to the disposable diaper was developed to make life better for the user — and to produce a profit for the manufacturer.

But something new has been added in recent years to this striving for a better life. What we used to call progress is being interrupted by a worldwide revolution. In this case, the revolutionaries are consumers, and their battle cry is for products and services that will preserve a cleaner, healthier, richer environment for themselves and their children.

During the past few years, marketers have been scrambling to find the information and develop strategies to meet these new consumer demands. We hope that this issue of *Advertising Age* you are reading will help lead them to at least some of the answers.

In producing this special edition, we have learned a lot ourselves. One of our goals was to produce a whole issue of *Advertising Age* on recycled paper that compared with our regular stock. This we accomplished. But we learned recycled paper is more difficult to locate, it offers only limited varieties and it costs considerably more than non-recycled paper.

But then, this was the purpose of this special issue along with our Green Marketing Summit held on Jan. 29 in New York: *to learn*.

Michael A. Marcotte-Brooke Hummer

***Advertising Age* Publisher Joe Cappo**

There is also much to be learned from the exclusive Gallup survey that *Advertising Age* commissioned to determine consumer attitudes toward the environment and how marketers are responding to the "green revolution."

Learning from the experiences of others is also important. That's why we have included case studies from key marketing companies such as Procter & Gamble Co., Mobil Corp., McDonald's Corp., Wal-Mart Stores and Loblaw Cos.

In all of this, our intention has not been to point fingers of blame at anyone, especially since we feel that none of us is blameless. What's done is done. We can't change the past, but we can alter the course of the future.

What we hope to accomplish from this issue, as well as the Green Marketing Summit, is to promote a greater sense of awareness among everyone about possible damage to the planet. We feel that every government, corporation, institution and individual should have an environmental strategy governing the way they live and do business.

This concentrated focus on a social cause is a new step for *Advertising Age*, although we have covered "green marketing" as a separate topic for years and will continue to do so in the future. We don't casually produce midweek editions of this publication unless the subject demands it. Environmental marketing demands it.

We believe this particular issue breaks new ground by casting a more intense light on the challenge of marketing to an environmentally conscious world.

We hope that we—and you—are ready to meet that challenge.

Joe Cappo

Joe Cappo
Publisher, *Advertising Age*

In this issue

8 Gallup's green poll

Asked to name one company that's most "environmentally conscious," consumers named Procter & Gamble most often (6%), but 66% of those surveyed said "none" or "don't know." McDonald's came in second place with 4% of the total.

12 From hero to villain

Mobil Chemical Co. launched a degradable Hefty trash bag two years ago but now finds itself labeled the bad guy in a bitter marketing tale.

16 Defending diapers

Procter & Gamble has taken steps to counter the barrage of criticism from environmentalists against disposable diapers.

20 Commitment on dispay

Wal-Mart Stores, the first retailer to call for more environmentally friendly products, lets the public know about its policies in everything from recycling centers to green tags on shelves.

26 Green ads on review

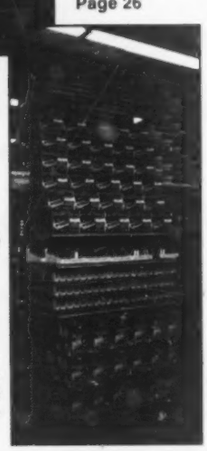
Advertising Age reviewer Bob Garfield looks at some of the current ad campaigns that tie in with the environmental movement, and discovers a bit of overkill.

28 Seeking uniform guidelines

Marketers want the federal government to issue national environmental marketing standards to end confusion about such terms as "recycled" and "recyclable."

▲Procter & Gamble uses magazine ads to explain how disposable diapers are compostable. See Page 16

◄Star-Kist's dolphin-free tuna spot is a "double-edged" sword. See Page 26



Loblaws was the first retailer to come out with its own GREEN line of products. See Page 38►

▲Green seal programs are trying to aid consumers, but marketers are unsure. See Page 30

30 Fishing for seals

Several organizations, including Green Cross Certification Co. and Green Seal Inc., hope to help consumers sift through advertisers' rhetoric by offering environmental seals of approval.

32 Big Mac's about-face

McDonald's Corp. was an early advocate of environmental concerns, but public misperceptions forced dramatic changes.

36 Who's who, environmentally

A survey of the 100 leading national advertisers shows what environmental marketing programs they have in place and who's in charge of these activities.

38 Enviro products pioneer

The Canadian-based Loblaws supermarket chain was the first to offer a line of "environment friendly" products, thanks to a "boring" environmental handbook.

46 Don't just say green

Companies without green products expose themselves to real risks if they engage in green marketing. Such "greenwashing" may work for a time, but sooner or later consumers will catch on, says Denis Hayes of Green Seal.

This "Green Edition" of *Advertising Age* has been printed on Niagara of Wisconsin Paper Corp.'s Pentair 50# Recycle Gloss. The paper meets the June 1988 U.S. Environmental Protection Agency's standard for recycled printing and writing papers by containing a minimum of 50% recycled fiber.

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Exclusive first look at how consumers feel; Wal-Mart, McDonald's, cereal companies stand out; beer, diapers, labeling, advertising have a long way to go

P&G gets top marks in AA survey

By Dennis Chase

AD AGE GALLUP SURVEY

Procter & Gamble Co. is the most "environmentally conscious" marketer in the U.S., according to a new nationwide poll.

But a whopping majority of respondents admit they can't name *any* marketer they feel is environmentally conscious.

Consumers across the board are looking for marketers to do more for the environment and say they will change their buying behavior to favor companies that are environmentally sensitive, according to the first annual *Advertising Age*/Gallup Organization "green marketing" environmental study.

The survey is believed to be the first to ask consumers to rate marketers and brands on concern for the environment.

The survey measures consumer opinion—not behavior—and "is trying to find out if it is in the consumer's mind that environmental concern is something he, and marketers, should have," said Gallup's VP-Analysis Gale D. Muller, who helped prepare the survey. "The information is valuable because advertising appeals more to a person's value system than to his actual behavior," he said. "Products that have this environmental appeal have an advantage over products that don't."

When the survey asked a random sample of consumers across the U.S. to name one company that's most "environmentally conscious," P&G received the most support, being named by 6% of respondents.

But 66% of those surveyed said "none" or "don't know."

Respondents were asked to name any company that comes to mind as enviromentally conscious.

P&G's total is understated, because another 2% of the respondents answered "Downy" or "Tide"—both P&G products.

McDonald's Corp. came in second place with 4% of the total.

The survey asked respondents to rate individual product categories and companies by their concern for the environment.

Cereal marketers received the highest average ratings, followed by soft drinks, retailers, toothpaste and laundry soaps and detergents.

Cosmetics among worst

The bottom five categories, with relatively low ratings for environmental concern, are beer, automotive, fast-food restaurants, cosmetics and disposable diapers.

The findings were determined by asking respondents to rate how concerned individual marketers are about the environment. Marketers and brands could be rated "very concerned," "somewhat concerned," "somewhat unconcerned," "very unconcerned," and "don't know." Final ratings were calculated by adding up marketers' total points within that category to reach a mean, or average score.

The highest rating, "very concerned," was assigned 4 points for each answer; "somewhat concerned," 3; "somewhat unconcerned," 2; and "very unconcerned," 1. "Don't know" responses were not tabulated.

Cereals received a 3.13 score; soft drinks ranked 3.01; retail chains, 2.93; toothpaste, 2.92; and laundry soaps and detergents, 2.87. These were followed by beer, at 2.83; automotive, 2.82; fast-food, 2.80; cosmetic marketers, 2.55; and disposable diapers, 2.46.

Top product categories in U.S. ad spending were chosen for the survey if there were obvious environmental issues associated with the categories. Within each category, the brands and companies selected were the top ad spenders for 1989, with some exceptions. For example, R.H. Macy & Co. actually spent more in '89 on advertising than Wal-Mart Stores in the retail category, but the latter was included because of its leadership role on environmental issues.

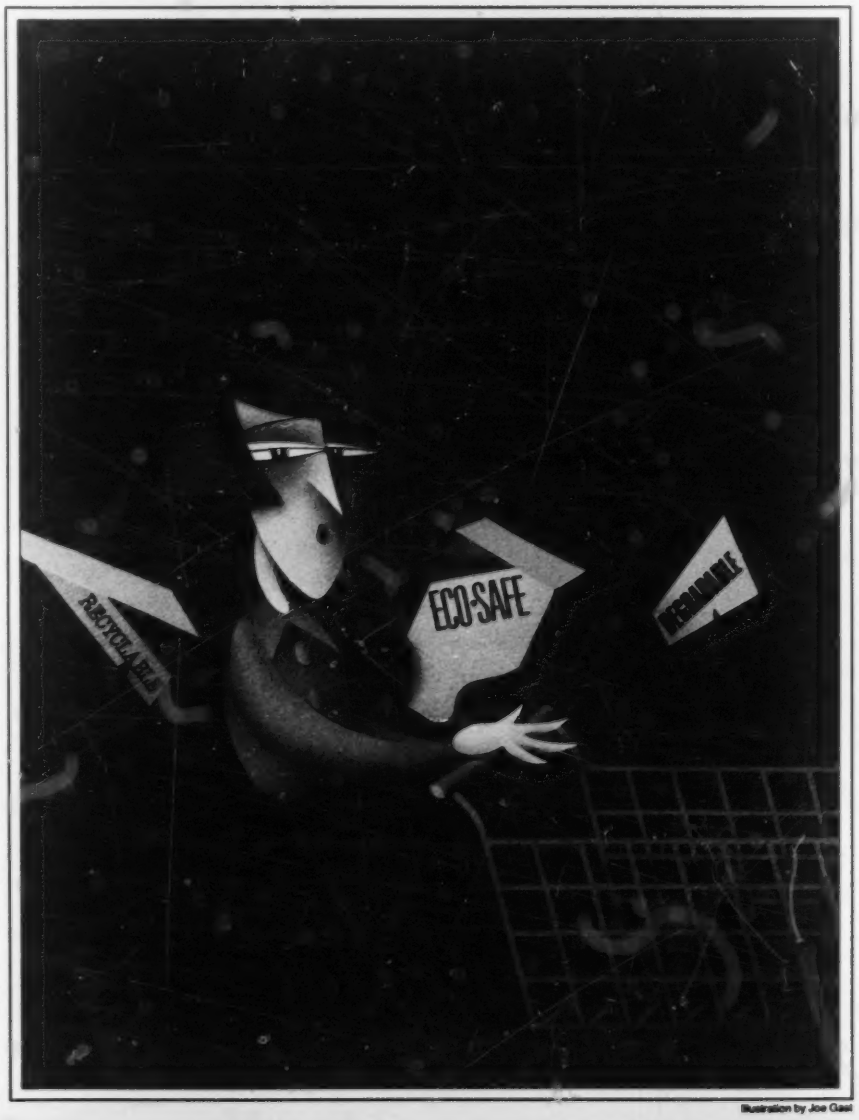


Illustration by Joe Gast

McD excels in fast-food

In the fast-food category, McDonald's emerged as the clear winner, with Burger King Corp., Wendy's International and Kentucky Fried Chicken Corp. significantly lower.

More than half the respondents, 67%, said the fast-food giant was either "very concerned" or "somewhat concerned" about the environment, compared with 57% for Burger King, Wendy's, 53%, and KFC, 50%.

McDonald's overall average score, at 2.94, was a statistically significant difference over Burger King's 2.76, Wendy's 2.81 and KFC's 2.7.

A statistically significant difference in this survey generally is one in which a greater than 0.05 gap exists between the different mean scores. This can vary from category to category, however.

In a runoff between P&G's Pampers disposable diapers and Kimberly-Clark Corp.'s Huggies, 42% of the respondents said Pampers was "very concerned" or "somewhat concerned" about the environment, compared with 37% for Huggies.

Pampers' mean score was 2.5, significantly higher than Huggies' 2.42.

For both Pampers and McDonald's, the relatively small percentage of "don't knows" helped bolster their final "concerned" score.

Huggies and Schering-Plough Corp.'s Maybelline received the lowest mean scores of any marketer surveyed.

In laundry soaps and detergents, P&G's Tide was the clear winner, with a mean score of 3, compared with Unilever's Surf, at 2.87, and Clorox, at 2.74. Tide received 64% of respondents' votes as being "very concerned" or "somewhat concerned," compared with 53% for Clorox and 41% for Surf.

The only other clear winner in its category was Wal-Mart. The survey found that 19% of respondents ranked the retail chain as "very concerned" about the environment, far ahead of second place K mart Corp. and Sears, Roebuck & Co., which tied.

Wal-Mart's overall mean score of 3.12 outranked K mart and Sears, at 2.87 each, and J.C. Penney Co., at 2.85.

In other categories, no marketer significantly outranked its competitors.

P&G's Crest and Colgate-Palmolive Co.'s Colgate toothpastes both registered about the same mean scores—2.98 and 2.95, respectively. SmithKline Beecham's Aqua-Fresh ranked third, at 2.82.

High marks for cereals

No significant difference emerged among cereal companies either, although all the mean scores were generally higher than other categories, resulting in a high ranking for cereal companies' environmental concern.

General Mills received a 3.14 mean score, as did Kraft General Foods' Post unit. Kellogg Co. received a 3.12 ranking.

In the soft-drink category, Pepsi-Cola received a 3.02 ranking; Coca-Cola, 3.01, and 7UP, 2.99. However, the two cola giants outranked 7UP in percentage of respondents ranking the marketers as "very" or "somewhat" concerned about the environment. Coca-Cola received 68%, Pepsi-Cola, 67%, and 7UP, 64%.

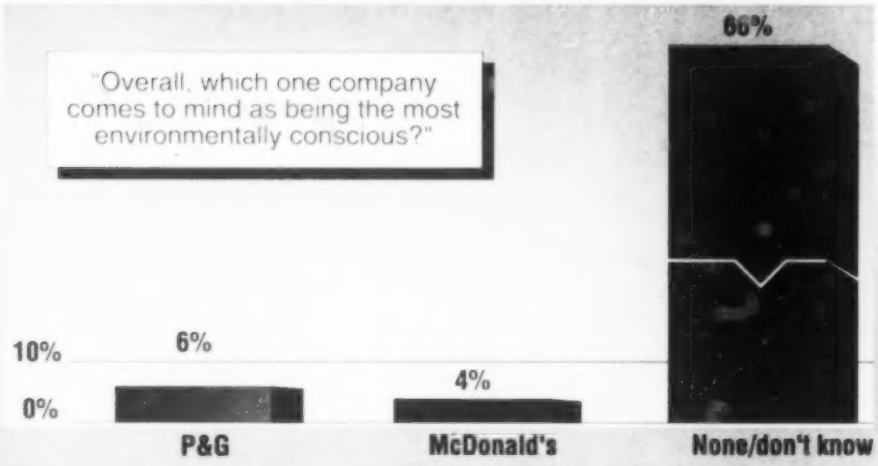
Among beer marketers, Anheuser-Busch Co.'s Budweiser outscored Miller Brewing Co.'s Lite beer in concern for the environment, by mean scores of 2.85 to 2.79. Coors scored 2.84. The differences, however, aren't statistically significant.

In the automotive category, no one car company outranked another significantly, but U.S. companies received higher votes in the "very concerned" category than their Japanese counterparts.

Ford Motor Co. received a 2.85 score,

(Continued on Page 10)

P&G: The greenest



Note: Companies/brands with 1% mention were: Arm & Hammer, Amway, Dow, Downy, Hefty, Pepsi, Star-Kist, Tide, Weyerhaeuser.

JOHN SMITHER

Which category is greenest?

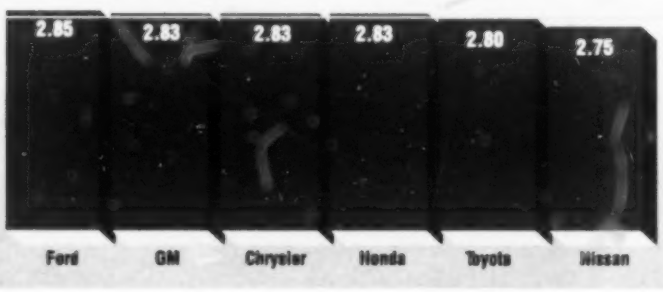
Industry	Average mean score	Number of companies included
Cereals	3.13	3
Soft drinks	**3.01**	**3**
Retail chains	2.93	4
Toothpaste	**2.92**	**3**
Laundry soaps-detergents	2.87	3
Beer	**2.83**	**3**
Automotive	2.82	6
Fast-food chains	**2.80**	**4**
Cosmetic companies	2.55	3
Diapers	2.46	2

JOHN SMITHER

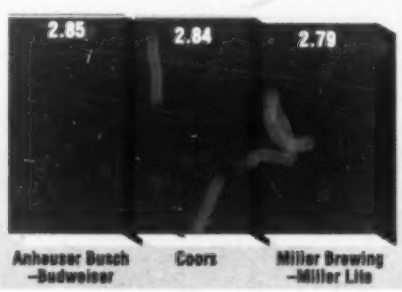
U.S. marketers – How green?

What happens when you ask a nationwide sample of Americans to rate how concerned 34 marketers are about the environment? They give high marks to Wal-Mart, McDonald's and Procter & Gamble.

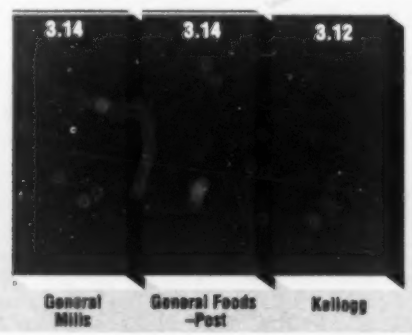
Automobiles



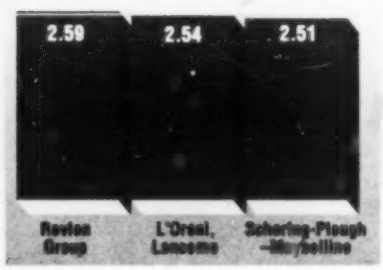
Beer



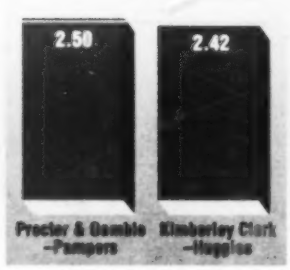
Cereal



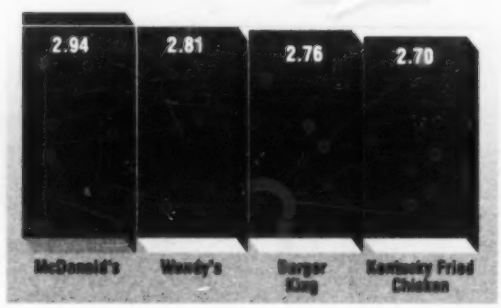
Cosmetics



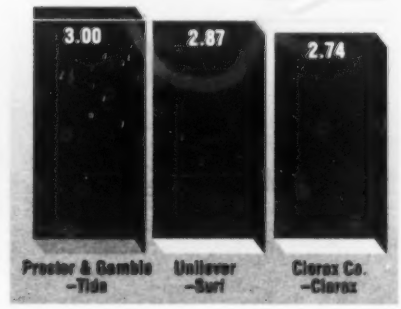
Diapers



Fast-food



Laundry soap



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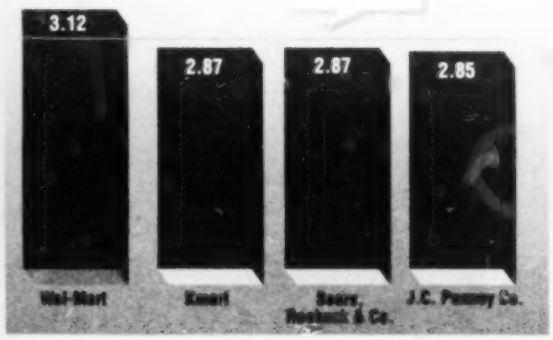
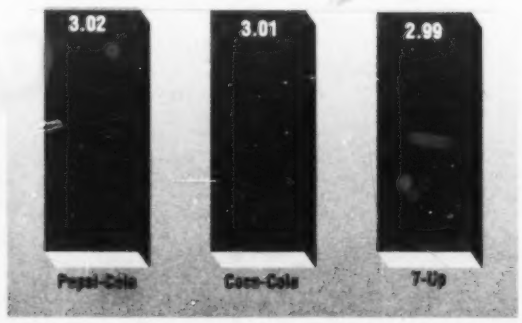
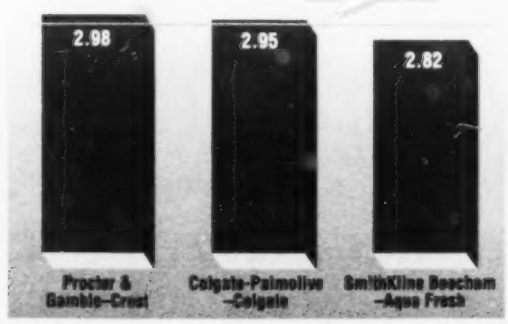


Soft drinks



Toothpaste



Note: Rating scale: 4 = very concerned, 3 = somewhat concerned, 2 = somewhat unconcerned, 1 = very unconcerned. Significantly higher scores within any category are indicated by color change.

Source: Gallup Organization

HOLLY SEGUINE

P&G tops survey

(Continued from Page 8)

compared with General Motors Corp., Chrysler Motors and Honda Motor Co., each of which received 2.83. Toyota Motor Corp. received 2.8 and Nissan Motor Co., 2.75.

But GM, Ford and Chrysler all outshone their Japanese competitors in the "very" and "somewhat" choices, with Nissan getting the lowest score of all. However, these differences appear to be statistically insignificant, or just borderline.

Cosmetics marketers, which includes Revlon Group, with a 2.59 ranking, and L'Oreal and Lancome, with 2.54, and Maybelline, with 2.51, scored very low on the overall ranking.

The survey also delved into whether the majority of Americans consider themselves environmentalists, and where they stand on various environmental issues.

The survey found that 79% of the respondents consider themselves "strong environmentalists" or "environmentalists," and only 17% consider themselves "non-environmentalists."

Northeast strong

The survey found the Northeast has a disproportionate number of "strong environmentalists," compared with the South Central, North Central and West regions.

Average age of "strong" environmentalists is older than the overall sample—48 years old compared with 37 for the entire sample.

Respondents were asked a series of questions to determine whether they think American business and industry, the government, and the American public are "too worried about the environment, not worried enough, or express about the right amount of concern about the environment."

The results show most people believe no one group is concerned enough about the environment. The "American public" comes out the best, but not by much—68% of respondents felt this group is "not worried enough" about the environment. That compares with 73% for government and 76% for business and industry.

'Green' ads questioned

Most people have little confidence in "green" advertising claims and much more confidence in green seals and label claims.

When asked if they felt "very confident," "somewhat confident" or "not confident that you know how to select products which are really environmentally responsible," three-fourths of the respondents said they were "very" or "somewhat" confident.

But when asked to rate their confidence that product advertising "provides accurate information about the impact on the environment," only 8% of respondents said they were "very confident," 43% said "somewhat confident," and 47% said "not confident."

When asked to rate their confidence that product labeling provides accurate information about the environment, 12% said they were "very confident" and 51% "somewhat confident"; only 35% said they were "not confident."

This anti-ad bias showed up again when respondents were asked to rate "green" advertising compared with other influences on purchasing decisions.

The survey sample was asked whether a "green seal of approval, which was introduced by Earth Day organizer Denis Hayes and would be placed on the labels of certain products meeting specific environmental criteria," would have a "great impact, "some impact" or "no impact" on their purchasing decisions.

Thirty-four percent responded that a green seal would have "great impact" and 49% said "some impact."

Similarly, "a program sponsored by the federal government to approve certain products meeting specific environmental impact criteria" rated 25% for "great impact" and 55% for "some impact."

When asked the same question about "marketing which states a laundry detergent is good for the environment because it contains no phosphates," 26% said "great impact" and 54% said "some impact."

But when asked about "a television advertisement which states that a certain brand of plastic laundry bottles contains up to 35% recycled plastics," only 16% said it would have a "great impact" on their purchasing decision, 54% said "some impact," and 28% said "no impact."

Eager to change

On specific issues, respondents come off as eager to change behavior to improve environmental quality, even if it means paying higher prices for a product.

Asked if they would "favor a ban on chlorofluorocarbons and other chemicals known to damage the ozone layer even if it means higher prices for air conditioners, refrigerators and some other consumer products," 80% of respondents said they would favor a ban and only 13% would oppose one.

When respondents were asked if they would switch to a brand of toothpaste in an aluminum tube marked "recyclable," if the brand they were using was not in such a tube, 34% said they would switch if the price was the same or "slightly higher." Thirty-two percent said they would switch regardless of the price, and 29% said they would either not switch or switch only if the price of the "recycled" brand was lower.

The survey asked if respondents would switch to a super-concentrated laundry detergent, which used fewer cups per load than their current detergent, and 33% said they would switch if the price were the same or slightly higher, 30% said they would switch regardless of the price, and 31% said they would not switch or switch only if it cost less.

They were asked if they could name the laundry soaps or fabric softeners, if any, that use recyclable materials in their packaging, or that offer refills to "cut down on the number of plastic laundry bottles being disposed of."

P&G's Downy won the refill race by a large margin, grabbing 18% compared with 3% for P&G's Tide and 1% each for P&G's Cheer and Dash and Unilever's Wisk, All, and Snuggle.

"Don't know" was cited by 72% of respondents. In fact, only Downy actually comes in refillable containers in the U.S.

Points for Tide

On the recyclable packaging question, Tide was cited by 9% and Downy by 8% of respondents, with 2% each citing All, Cheer and Wisk, and 1% each citing Snuggle, Church & Dwight's Arm & Hammer, Amway, Colgate-Palmolive's Fab, Unilever's Surf and P&G's Era and Dash; 70% responded "Don't know."

In fact, some liquid and granule versions of the brands cited are in partly-recycled containers, and some are not.

On another issue, when the survey asked only that portion of the sample that had had a baby using disposable diapers in their household in the past two years (16% of the total sample) whether they would switch to a diaper marketed as "biodegradable," 42% said they would switch if the price was the same or slightly higher, 33% would switch regardless of the price, and 22% would not switch or switch only if the price was lower.

In one surprising result, there were strong suggestions in the survey that newspaper and magazine readers might consider dropping their subscriptions to publications that don't use recycled paper.

The portion of the sample that subscribes to at least one local newspaper (74%) was asked whether they were "likely to cancel their subscription . . . if you knew the newspaper to which you subscribe does not use any recycled paper . . ." Forty-one percent said they were "very" or "somewhat" likely to cancel their subscriptions, and 56% said they were "not likely."

The survey found 73% of respondents are aware of environmental safety labels on packages.

When asked what activities household members have done in recent years to try to improve the quality of the environment, 86% said they "voluntarily" recycle newspapers, glass, aluminum, motor oil and other items; 82% said they bought products made from or packaged in recycled materials; 71% said they improved insulation or the heating or air conditioning system in their homes; 68% said they bought biodegradable plastic garbage bags and the same percentage bought products in refillable packages. □

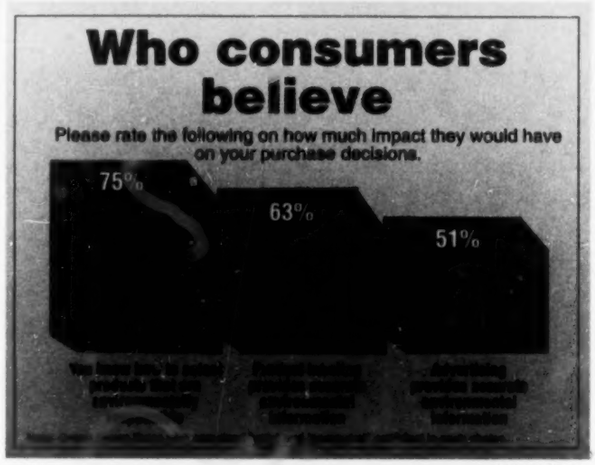
How Ad Age survey was conducted

The *Advertising Age*/Gallup Organization green marketing survey of 1,514 consumers was conducted in December 1990. Households were selected using the accepted industry standard for random digit dialing.

The maximum expected margin of error is plus or minus 2.5%.

The sample can be projected to all households with telephones in the continental U.S., and the results are weighted and match the U.S. as a whole. Characteristics of the sample are: 48% male, 52% female; ages 12-17, 10%, 18-24, 13%, 25-34, 21%, 35-44, 17%, 45-54, 12%, 55-64, 12%, 65 and older, 15%. Twenty-one percent of the sample was located in the Northeast U.S., 33% in the South Central region, 26% in the North Central, and 20% in the West.

A copy of the *Ad Age*/Gallup study, with all available data, can be purchased from Marketing Communications Department, *Advertising Age*, 220 E. 42nd St., New York 10017; telephone: (212) 210-0283; fax: (212) 210-0111. □



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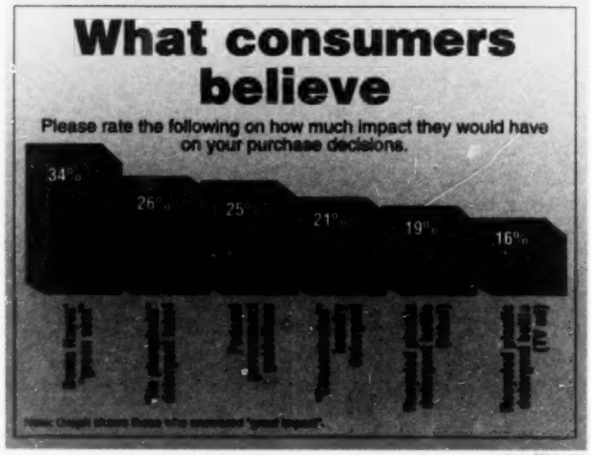

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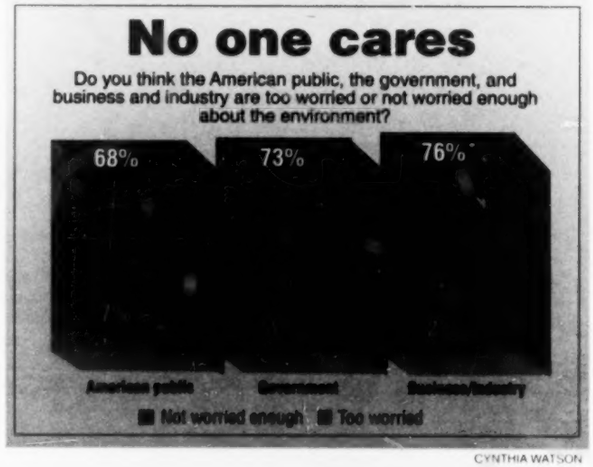
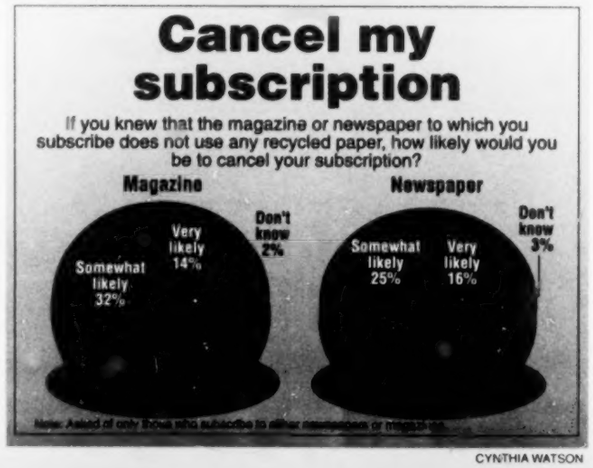


CYNTHIA WATSON


Cancel my subscription
If you knew that the magazine or newspaper to which you subscribe does not use any recycled paper, how likely would you be to cancel your subscription?
Magazine
Somewhat likely 32%
Very likely 14%
Don't know 2%
Newspaper
Somewhat likely 25%
Very likely 16%
Don't know 3%

CYNTHIA WATSON

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LAST MINUTE NEWS

Hardee's mulls decision

ROCKY MOUNT, N.C.—Hardee's Food Systems eliminated N W Ayer, New York, after it pitched the fast-food chain's $50 million-plus account Feb. 1, sources said. Hardee's will make a decision early this week and is thought likely to drop Ogilvy & Mather and choose between J. Walter Thompson USA and Chiat/Day/Mojo, all New York.

Volvo review nears end

ROCKLEIGH, N.J.—Volvo Cars of North America is expected to name an agency this week for its $40 million account. Messner Vetere Berger Carey Schmetterer, New York, is seen as the favorite because President Robert Schmetterer was managing director of the Volvo account when he was at Scali, McCabe, Sloves, New York. Scali resigned after revelations that cars were rigged for a demonstration commercial. Other finalists are Altschiller Reitzfeld/Tracy-Locke and Rosenfeld, Sirowitz, Humphrey & Strauss, both New York.

'Life' sets special issues

NEW YORK—Time Warner's *Life* will start publishing weekly, themed issues on the Persian Gulf War the week of Feb. 18. The issues will be standard magazine-size, sold on newsstands only and published for an indefinite period. Time Warner will distribute 600,000 copies each week to single-copy outlets. *Life*, which has been considering a switch to weekly frequency, will keep publishing as a monthly for now and has postponed plans to publish a prototype weekly

(Continued on Page 8)

INSIDE

"Creativity"

An *Ad Age* supplement that you have to ask for to get.

Some readers get "Creativity," which starts after Page 24. If you don't, call 1-800-992-9970 and ask for *Ad Age* circulation.

Major marketers slice 2nd-quarter TV buys

By Wayne Walley

The economic recession, exacerbated by the Persian Gulf War, has led a handful of major advertisers to cancel the maximum allowable percentage of their upfront TV ad commitments for the second quarter.

Advertisers that have exercised cancellation options include such stalwarts as Procter & Gamble Co., General Motors Corp., Unilever U.S. and McDonald's Corp., said sources familiar with those companies' plans.

New first-quarter scatter market spending is also at a standstill, and the circumstances bode ill for the next upfront sales market, media experts said.

Advertisers often cancel a portion of second-quarter spending commitments, but the amount canceled by P&G and other companies is larger than usual and could conceivably take hundreds of millions of dollars out of the TV marketplace.

Sources said P&G has exercised its maximum allowable second-quarter cancellation options on all networks, including Fox Broadcasting Co., and in syndicated TV shows, citing "business reasons."

Industry observers pointed out that the networks' second quarter is also P&G's fourth fiscal quarter, and they speculated the cancellations might be linked to the company's desire to improve its yearend bottom line.

"We've seen upsets before but never on this massive scale. It's shaking people up."

P&G executives refused to comment on the move for "competitive reasons."

Sources said all of Unilever's units, with the exception of Chesebrough-Pond's, exercised the maximum amount of cancellation options because of the uncertainties caused by the Persian Gulf War.

Although sources said Kellogg Co. had also pulled out of a significant portion of its upfront commitments, a company spokeswoman said it had made no changes in its ad plans.

Other advertisers including McDonald's, Mobil Oil Corp. and Tropicana Products exercised cancellation options last month.

Most advertisers retain the right to cancel up to half their network upfront commitments 90 days before a quarter starts, but sources said some advertisers, including P&G, agree to a smaller percentage of cancellation rights.

Advertisers on average usually keep about 80% of the time that could be canceled, but this time the average is between 65% and 70%, network sources said.

The 90-day deadline hasn't been strictly

(Continued on Page 44)

KGB may tap BBDO . . . for ads

By Joel M. Ostrow

MOSCOW—The KGB is considering an image makeover.

BBDO Worldwide, which operates a joint venture shop here with German publisher Burda and Vneshtorgizdat, a state-owned foreign trade publisher, has approached the Department for Societal Relations of the Soviet Committee for State Security—better known as the KGB—with proposals for an image campaign, said Andrey V. Olegov, deputy director of the KGB's press center.

"They presented us with a brochure titled, 'How We Can Help You,' " Mr. Olegov said. The brochure explained BBDO's services and the agency's expertise in image campaigns.

"I am, of course, personally interested," Mr. Olegov said. "How the committee will proceed is still absolutely unclear."

He said more meetings are needed before a decision will be made.

"We tend to think that the best advertisement is our own work," he said.

Bruce Macdonald, BBDO general director here, said the agency wants to help the KGB "dissociate itself from its embarrassing history" of repression and lawlessness to fulfilling roles in Soviet society that "only they can perform," such as fighting organized crime.

In initial discussions, BBDO is assessing whether the KGB is indeed changing, he said, and if so, will try to convince officials they should communicate the positive

(Continued on Page 41)

Against all odds

Shaky industry studies 'Allure' launch

By Scott Donaton

When the first issue of *Allure* reaches newsstands Feb. 26, the magazine itself may not be as important as what its launch represents.

With the magazine industry battered by recession, war and a steep downturn in advertising, the publishing world is pinning its attention and hopes on Conde Nast Publications' latest entry in the women's magazine field.

Allure is the first, boldest—and perhaps only—major launch of 1991 and also the first title Conde Nast, led by Chairman S.I. Newhouse Jr., has developed from scratch since it launched *Self* in 1979.

If the company's attempt to penetrate the overcrowded women's beauty/fashion field in such a hostile environment is successful, *Allure* could give the industry a much-needed boost.

Some magazines launched last year have already fallen by the wayside, and many of those that remain are struggling. Scores of development projects, meanwhile, have been scaled back or shelved.

"It's very bold and gutsy," said Valerie Muller, media director at Pedone & Partners, New York. "I think a win by a big company right now would be a shot in the arm. We're all tired of hearing that there's no more room for change."

Conde Nast itself needs a win. The company spent millions of dollars trying to reposition *Woman* before folding the mass-market monthly last fall. And the relaunch of *Details* as a young men's style magazine is off to a somewhat

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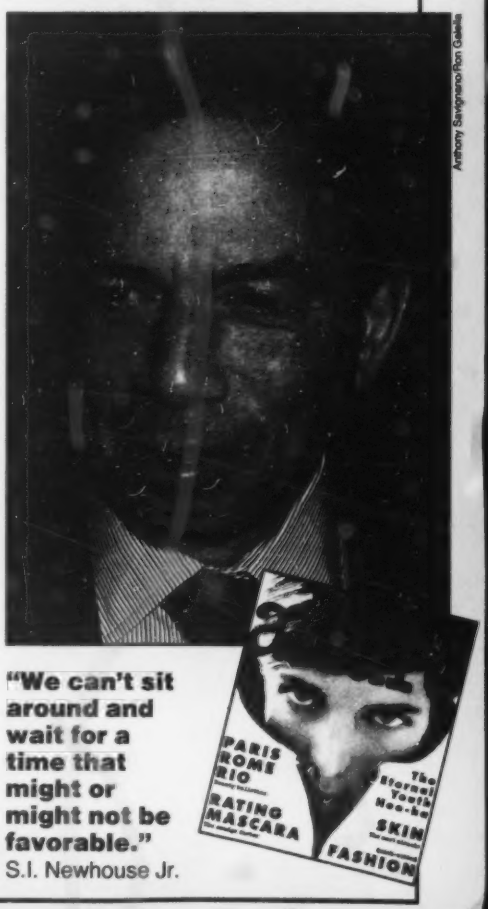

Anthony Savignano/Ron Galella

"We can't sit around and wait for a time that might or might not be favorable."
S.I. Newhouse Jr.

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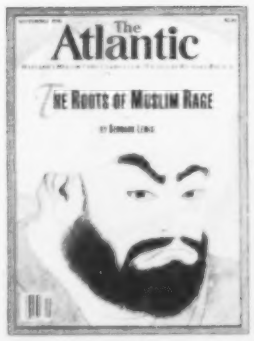

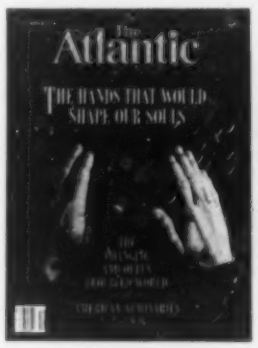

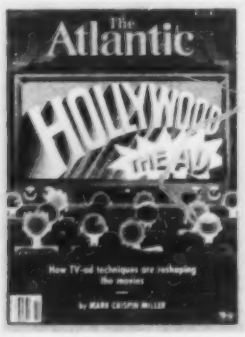

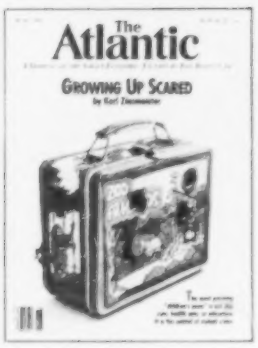

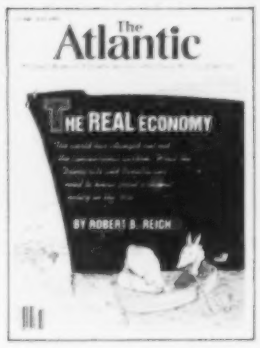

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NEWS SUMMARY

■ **Several major advertisers** cancelled the maximum allowable of their second-quarter upfront TV committments. **1**

■ **The Soviet Union's KGB** has been approached by BBDO Worldwide, offering to do an image campaign for the intelligence service. **1**

■ **General Motors and Chrysler** plan significant cutbacks in 1991 media advertising. **3**

■ **The U.S. travel industry** hopes to blunt a downturn in business, due to terrorism fears, with a coordinated public relations campaign. **3**

■ **NBC-TV** will offer advertisers promotional tie-ins to its new shows next fall. **3**

■ **Green marketing guidelines** will be proposed to the FTC by a broad-based industry group. **3**

■ **Bloom Cos.** was acquired by Groupe FCA!, Paris. **4**

■ **Domino's Pizza** has put its $50 million national advertising account up for review. **4**

■ **The Food & Drug Administration** said Procter & Gamble's Citrus Hill Fresh Choice and Citrus World's Fresh 'N Natural orange juices are mislabeled. **4**

■ **Howard Bell** will conclude a 23-year stint as president of the American Advertising Federation when he retires at the end of this year. **4**

■ **HDM,** a joint venture of Young & Rubicam and Dentsu, is evolving into a regionally structured agency group. **6**

■ **Anheuser-Busch** will start joint advertising of Busch and Busch Light Draft beers. **6**

■ **Oil of Olay** conditioning bath bar from Procter & Gamble will compete with Unilever's Dove. **9**

■ **Green marketing** will be effective only if government, industry and environmental groups work together to develop policies, speakers at the *Advertising Age* Green Marketing Summit agreed. **12**

■ **Environmentally friendly products** must still be priced competitively if they're to succeed, a panel of experts said at the Green Marketing Summit. **12**

■ **European ad executives** are adjusting their business routines because of the Persian Gulf War, including changing or curtailing travel plans. **16**

■ **Time Warner** plans to offer a computer compact disc with text, photos, audio and possibly video related to Operation Desert Storm. **16**

■ **Radisson Hotels** has begun a consumer ad campaign with a doubled budget. **41**

■ **Cable News Network** says its highly praised war coverage hasn't brought economic benefits to the network. **42**

■ **"False, self-serving rumors"** of magazines folding, fed by earlier closings, have led some publishers to issue denials. **45**

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Y&R, Dentsu ready regional strategy

By Jon Lafayette

Young & Rubicam and Dentsu are abandoning their dream of a multicultural global agency network.

Their joint venture, HDM, is being transformed into a regionally structured agency group now that HDM's third partner, Eurocom, has bowed out. Three largely independent agencies with separate identities have emerged.

In the U.S., where HDM is being merged with Lord Einstein O'Neill & Partners, the agency will be called Lord, Dentsu & Partners, with offices in New York and Los Angeles billing about $220 million.

In Asia, 11 former HDM agencies with billings of $420 million will be renamed Dentsu, Young & Rubicam.

In Australia and New Zealand, five agencies with billings of $238 million will be known as Mattingly, after Chairman David Mattingly, whose agency was acquired by HDM in 1989.

The agency groups will report to Dentsu, Young & Rubicam Partnerships, a central board responsible for overall management and coordination.

Board members include Chairman Shinzo Ueno, President-CEO Gary Burandt, Senior Exec VP-Chief Financial Officer Alain Rousset and Senior Exec VP Megumi Niimura.

HDM's direct marketing operations, to be reorganized and renamed this week, will also report to the board.

Mr. Burandt said the regional structure was adopted because "the fact is that there are no global accounts at HDM and there are few of those in the world. We've given [the agencies] names that will give them the most help in those regions."

HDM, formed in 1987, was never able to form a strong identity. Its name was forgettable among the other alphabet-soup agency titles, and it was often overshadowed by its giant parents.

The agency's death knell sounded because Eurocom thought the returns it was getting from HDM's operations in Asia and especially in the U.S. were less than the profits it was generating and sharing with its HDM partners in Europe.

"The state of the [Dentsu-Y&R] union is good."

Alex Kroll

Eurocom pressured Y&R and Dentsu to make an acquisition to expand in New York but ended up buying HDM's European operations for $55 million.

Those operations are now part of Eurocom Advertising.

There are no immediate plans to increase the size of Lord, Dentsu & Partners through acquisitions, Mr. Burandt said.

"We have nothing planned at this time," he said. "Let's let the dust settle and see what we've got."

The restructuring was agreed to at a meeting last week that included Y&R Chairman-CEO Alex Kroll and Dentsu President-CEO Gohei Kogure.

Despite the strains Eurocom's complaints may have caused between the U.S. and Japanese ad giants, "the state of the union is good," Mr. Kroll said. "Dentsu is very supportive of the Dentsu-Young & Rubicam partnerships around the world."

Mr. Kroll noted the reorganization brings the Y&R name back to the Far East, where the joint venture is Y&R's only advertising operation.

The formation of Lord Dentsu effectively ends the saga of the six executives who walked out of WPP Group's Lord, Geller, Federico, Einstein in 1988 and were sued by WPP Chief Executive Martin Sorrell.

Of the six who formed Lord Einstein, only Lord Dentsu CEO Dick Lord remains with the surviving agency. Lord Einstein President Arthur Einstein is looking for a position, possibly with Y&R; Creative Director Kevin O'Neill last month joined Lintas:New York as group creative director; Chief Operating Officer C. Ray Freeman last year took a similar post at DCA, New York, a wholly owned Dentsu shop; Exec VP Edward Yaconetti left the industry; and Chief Financial Officer Louis Eichenholz is looking for a position with another agency.

Mr. Lord said about 40 of the 50 Lord Einstein staffers will move to Lord Dentsu. He said he hoped some of the others could be placed with other Y&R operations.

HDM Creative Directors Mark Hughes and Ron Arnold were named creative directors at Lord Dentsu's New York office; Los Angeles HDM Chairman Lee Koval will continue as creative director there. □

No. 1 Hasbro buys Tonka

By Kate Fitzgerald

Hasbro's acquisition of Tonka Corp. gives the No. 1-ranked toy company a sizable lead over No. 2 Mattel.

By absorbing financially troubled, No. 3-ranked Tonka, Hasbro adds such brands as Monopoly, Clue, Nerf and Play-Doh to an arsenal that already included such long-running hits as G.I. Joe, Milton Bradley board games and its PlaySkool division.

Sources in the $13 billion toy industry say Hasbro's annual sales are more than $1 billion; Tonka's sales are about $800 million, and together they significantly outdistance Mattel, whose sales are about $1 billion.

The deal was valued at $470 million.

The announcement came last week, just before the Feb. 11 opening of the American International Toy Fair. It adds to an uncertain market already hit by recession and the bankruptcy of major retailer Child World.

Troubled Tonka had expected a "substantial" fourth-quarter loss after a disastrous 1990 toy-selling season, and has been laboring under heavy debt from its own acquisition of Kenner Parker Toys in 1987.

"This is like a major trade in baseball where both teams come out ahead afterward," said David Leibowitz, a toy industry analyst with America[illegible] Securities. "Hasbro is broadening its already diverse lines by gaining a raft of excellent brand names, and Tonka is finally escaping from its financial problems.

The joint announcement came as a surprise to some industry observers, who had expected Mattel to emerge as Tonka's unnamed suitor after Tonka announced early last week it was having discussions about a possible sale.

"It was a shock to some people who were on the inside, although we all knew discussions were going back and forth," said Paul Kurnit, president of Griffin Bacal, New York, Hasbro's lead agency, which handles approximately $100 million in broadcast advertising.

"Everyone can see that this is a great move and a fantastic fit for Hasbro, particularly for its own continued leadership in the board games segment," Mr. Kurnit said.

The deal is contingent upon Hasbro's successful completion of a cash tender offer for Tonka's outstanding common stock and publicly held debt securities.

Both Hasbro and Tonka refused to comment on the deal or its effect on the toy marketers' agencies, but changes are almost inevitable, sources indicated last week.

Hasbro shuffled its agency assignments last year, consolidating its board game account at Griffin Bacal, along with all PlaySkool broadcast and most of Hasbro's boys' toys advertising.

Former Tonka agency Jordan, McGrath, Case & Taylor, which resigned that account in 1989 when it won several assignments from Hasbro, now handles most of Hasbro's girls' toys including its My Little Pony and Cabbage Patch lines, along with two new boys' toys to be unveiled at the Toy Fair. The account is estimated at $20 million to $25 million.

Last year, Tonka consolidated its $75 million domestic and $25 million international accounts at Grey Advertising. Earlier, separate agencies had handled Tonka's Kenner Products and Parker Bros. divisions. Kenner agency Grey added the Tonka brand account in 1989. Then last year, Tonka moved the $22 million Parker Bros. account to Grey from Della Femina, McNamee, Boston. □

Top 10 beer brands for 1990

Figures are in millions of barrels shipped.

Brand	1989	1990	% chg	Share
Budweiser	50.00	50.00	—	25.1%
Miller Lite	19.70	19.90	1.0	10.0%
Bud Light	10.80	11.80	9.3	5.9%
Coors Light	10.50	11.80	12.4	5.9%
Busch	9.10	9.35	2.7	4.7%
Milwaukee's Best	6.70	7.00	4.5	3.5%
Miller High Life	7.50	6.45	(14.0)	3.2%
Old Milwaukee	6.95	6.40	(7.9)	3.2%
Miller Genuine Draft	4.70	5.90	25.5	3.0%
Coors	5.15	4.30	(16.5)	2.2%
Top 10 brands total	**131.1**	**132.9**	**1.4**	—

Source: *Beer Marketer's Insights*

Busch brands pair up in ads

By Ira Teinowitz

Anheuser-Busch, switching to a more contemporary approach, will use a "mountain man" theme for its first advertising jointly pitching Busch and Busch Light Draft beers.

The first two 30-second spots—breaking today and slated for network, cable and local airing—offer a series of urbane mountain men.

One commercial addresses the common misconception that the mountain man's best friend is his horse, and instead shows a young woman in that role.

The new campaign from DDB Needham Worldwide, Chicago, replaces Busch Light Draft's separate $8 million "Make the easy choice" campaign and the "Looking for a Busch" theme that's been part of the main brand's overall $9 million effort.

The 13-year-old "Head for the mountains" theme survives in spots that will run as an occasional secondary campaign. The line "Looking for a Busch" will also be used in some future "mountain man" spots.

Anheuser-Busch dispels common misconceptions about the "mountain man" in new spots uniting both Busch brands.

"What you see is an evolution," said Bill Braun, senior brand manager for the Busch brands. "It is a more contemporary, up-to-date portrayal of the Busch drinker."

Mr. Braun said the decision to combine Busch and Busch Light Draft advertising reflected a desire for efficiencies but not specifically cost efficiencies. The brands will spend more together this year than was spent separately last year, he said. Instead, having two campaigns, vs. three, will raise awareness levels, he said.

A-B spent $27.8 million in 1989 on Busch, according to LNA/Arbitron Multi-Media Service. The brewer has contended that its switch from network to individual market advertising has resulted in understating its spending last year.

Busch, the nation's No. 5 brew, shipped 9.35 million barrels last year, up 2.7% from 1989, according to new figures released last week by *Beer Marketer's Insights*. Busch Light shipped about 2.1 million barrels, up from its 1989 test volume of 100,000. A-B tested Busch Light Draft in early 1989 and rolled it out to all areas where it sells Busch in January 1990. Busch beers are now sold in 46 states.

The latest shipment figures came as beer shipments grew a healthy 3.1% last year to 198.9 million barrels. (The figure includes non-alcohol beers and exports of 4 million barrels.)

The big winners last year were Miller Brewing Co.'s Miller Genuine Draft, which saw a 25.5% increase in volume to 5.9 million barrels and Adolph Coors Co.'s Coors Light, which saw a 12.4% growth to 11.8 million barrels. Bud Lite rose 9.3% to 11.8 million barrels and Milwaukee's Best (Miller) rose 4.5% to 7.0 million barrels.

Among the biggest losers was the Coors brand, down 16.5% to 4.3 million barrels. The brand has lost more than 50% of its barrelage in just three years. In 1987, Coors shipped 3.1 million barrels.

Also off was Miller High Life, whose pace of decline increased to 14% to 6.45 million barrels. A year ago, when High Life was down 7%, Miller officials had hoped the new "Give that man a Miller" campaign from Leo Burnett USA, Chicago, would slow High Life's decline. □

LETTERS

Don't desert 'mass'

In his Dec. 13 piece, Sid Bernstein makes the valid point that "mass" is still the key in marketing. This, in the face of the ever-more-aggressive efforts by marketers toward niche marketing narrowcasting, ZIP code mailing to psychographed audiences, etc. Why spend money sending your message to people who: A) Can't afford to buy your product? or B) Have a lifestyle that would make them shun your product?

Singling out the "non-prospects" has been enhanced to such a degree by the wizardry of our computer age that former mass marketers can now congratulate themselves not only on the money they've saved but on their communications link only with today's best customers and prospects.

But what about tomorrow?

The youngster, growing up in a family that can't afford the brand today, gets an education, a good job, a good income, a family, a new set of interests and thus becomes an ideal prospect for the brand he's never been exposed to.

On the other hand, hearing the brand's commercials and seeing the messages in print while still in the unable-to-buy category does not stop him from aspiring to buy when his circumstances change—as they're bound to.

Avoiding mass marketing is a form of elitism that owners of major brand franchises can ill afford.

Daniel L. Lionel
President, Leadership Advertising Development Co.
Syosset, N.Y.

'Time' top covers

The *US* magazine advertisement's claim that "Entertainment covers on *Time* outsell all others" (AA, Jan 7) is completely untrue. None of the best-selling issues in 1989 or 1990 carried entertainment covers. In 1989, the top five were "Planet of the Year," "World War II," "Barbara Bush," "Death by Gun" and "Trump." In 1990, the best-sellers were "Man of the Decade," "Twentysomething," "Talk of War," "Quayle" and "Iraq on the March." While these do not fit neatly into one category, it's obvious that hard news, *Time's* forte, sells best.

Ellen J. Fairbanks
Consumer marketing director, *Time*, New York

Donnelley belongs

In the article "Count on cartography" (AA, Dec. 10), no reference was made to either Donnelley Marketing Information Services or Donnelley Marketing Inc., two major players in the direct marketing and geodemographics industries.

DMIS' Conquest marketing information system currently integrates the Census DIME files with Donnelley Marketing's Geographic Base File to provide a street network view of the U.S. within major metropolitan areas. The integration of the Donnelley GBF provides national coverage across the U.S. for geocoding and address matching capabilities.

DMIS is also a major supplier of demographic and consumer marketing information and produces its own small area estimates and projections.

Jeff Knebel
Marketing manager, Donnelley Marketing Information Services
Stamford, Conn.

Sword swallower

Speaking of position being everything, how about the positioning of these two ads in *The New York Times*?

Apparently the Alvin Ailey dancer does a bit of sword-swallowing as part of his dance routine.

Nat Kameny
Kameny Spitzer Felix
New York

Bad spell

We enjoyed your market profile on Baltimore (AA, Jan. 21), and thank you for including us in your list of the largest agencies in Baltimore. However, our firm's name is Hottman Edwards Advertising, not "Hoffman Edwards."

George D. Edwards II
Baltimore

Retail increases not bad

On Jan. 7, *Advertising Age* concluded that retail sales were dismal. Well, I am not so sure.

The average of all sales increases for the stores reported in the piece was 10%. In this era of small increases in personal and disposable income, and increased retail competition in which retailers are battling more retailers for the smaller pot of money, smaller retail increases look pretty good. The rules of the game have changed, and same store comparisons are not what they meant 10 years ago for there is more retail competition. Retailers may have to settle for 3% increases. I know that I would not classify 10% average monthly increases in my salary as dismal and it's misleading to so classify it in retail.

Moreover, Wal-Mart's increases prove that there is market share and money to capture if you do what is right for the consumer. Dismal, yes—but only for retailers who don't understand that everything they do must revolve around their consumer.

Richard Feinberg
Professor of retail management
Purdue University
West Lafayette, Ind.

Where marketers fail

I'm delighted that Sandoz's pricing director, Mick Kolassa, "agrees 100% with" my proposed 4Cs (Letters, AA, Dec 17). But I'm afraid I only agree 50% with his explanation for why people in marketing "fail to focus on" Consumer wants and needs, Cost to satisfy the need or want, Convenience to buy and Communication.

He's right that many educators fail to stress consumer orientation—partly, I submit, because the old 4Ps theory views the world from the company out. The other reason is that too many companies are so short-term-results-driven that they only care about moving product right now, this week, today. But's that's a subject for another article.

Robert Lauterborn
University of North Carolina
Chapel Hill, N.C.

Sampling pioneer

United Artists' sampling program (AA, Dec. 10) reminds me of a "Movie Bonus Bag" of samples for distribution in movie theaters that I worked on with Viacom back in 1975.

Viacom ultimately abandoned this project following the departure of two executives assigned to its development.

Len Holland
Sarasota, Fla.

Negative ads don't all work

In your end-of-the-year retrospective (AA, Dec. 24), you reiterated your contention that "negative advertising . . . has become a staple of political campaigns [*and*], perhaps more significantly . . . it works." And you illustrated your point with the advertising of Jim Rappaport, who, despite a well-financed, viciously negative campaign during an anti-Dukakis, anti-incumbent, anti-liberal backlash here, was soundly defeated by the decidely weaker of Massachusetts' two U.S. senators.

The fact is that it is not negativity that "works." What works in political (or any) advertising campaign is the combination of a salable product and sound marketing strategy. Benefit selling—aggressive, yes, and sometimes comparative.

Negative campaign advertising leads to negative images of all of the candidates. We wind up electing the second-worst contender, and we lose faith in all of our elected officials as a result.

To be sure, some negative campaigns succeed; others fail miserably. We have prepared advertising for about two dozen campaigns and, while we don't win them all, have won a number against negative opponents.

To suggest that negative advertising works because it is common and because some candidates succeed with it is like suggesting that drunk driving "works" because so many people do it and a significant number of drunk drivers arrive home alive. Both suggestions are reckless, and reflect a rather shallow interpretation of the facts.

Steven J. Fradkin
President, Wizard of Adz
Dedham, Mass.

Volvo was different

All clients and advertising managers should have an opportunity to read the letter to the editor which attempts to justify the infractions of the now-infamous Volvo commercial by likening it to two other automotive commercials that may have been similarly deceptive (Letters, AA, Jan. 7). It's hard to believe that a communications professional would agree that these are all parallel cases or routine cases.

If the letter-writer is a consumer, and he sees no difference in these various ad techniques and messages, his comments serve as an important reminder that subtleties in communication are often lost on the general public and are one of the many reasons it is incumbent on advertising to be as clear as possible so as not to mislead or obfuscate.

We hope the advertising community is not as corrupt as the writer's somewhat pear-shaped observations would imply. Volvo clearly breached all ethical standards of responsible judgment by rigging a demonstration to thereby lend credibility to a core safety claim that is the foundation of the product's reputation. For this, there can be no justification. And that is why there "is such a commotion."

Deborah D. Fineout
VP, Launey
Hachmann & Harris, Inc.
New York

FREEZE FRAME

Ed Fisher

"The world only *seems* complicated. Remember, you're here to sell razor blades."

CORRECTIONS & CLARIFICATIONS

■ W.B. Doner & Co., Baltimore, claims 1989 direct response billings of $25 million, not $8 million as reported in the "Top direct response agencies" chart (AA, Dec. 24, 1990, P. 12). □

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Five easy steps to crack market

Nisimblat sees ways to get around tight budgets

Marketer fear of the unfamiliar has kept some from entering the Hispanic market. Now tough budgetary situations have added yet another reason to bypass the segment.

Both are poor excuses, says Herney Nisimblat, director of Hispanic marketing at Colgate-Palmolive Co.

He offers the following guidelines for marketers to increase their confidence in approaching the segment—even on a shoestring budget.

■ "You don't have to go national. Think spot or local, instead."

With almost 35% of all U.S. Hispanics living in Los Angeles, New York and Miami, a limited placement can go a long way, he says.

"You can start with one market, test the waters and go from there," he says. "It's not so much a matter of cost, you have to learn."

■ Concerning costs, he advises marketers to negotiate with local stations. "Depending on the inventory they have available, you can work out a good deal."

■ Make sure you can prove the relative effectiveness of your efforts. Without the reams of scanner data marketers typically receive to support ad programs, many shy away from the Hispanic market's comparatively uncharted sales channels.

"Pick a market that's measurable vs. another brand or a competitor and get solid results to take back to management," he says. "If you do well, they'll keep your budget growing."

■ "Look at radio as an alternative," Mr. Nisimblat says. Production costs are low, so it's easier to put together a spot and spend your money on media, he says.

"Radio is much cheaper than TV," he says, while admitting "TV is still No. 1 in this market. For $1 million you can do an excellent program including network TV."

■ Consider non-media options. "There are many ways to get a brand involved in the community, communicate your message and show you support the community," Mr. Nisimblat says. □

Market loses some spice

Hispanic market ad expenditures in millions of dollars and % change

	Expenditures	% change
1990	$628.2	7.6 %
1989	583.6	6.1
1988	550.1	12.1
1987	490.7	23.3
1986	398.0	19.3

Source: *Hispanic Business*

National TV up in frequency

1990 media expenditures in millions of dollars and % change from 1989

	Expenditures	% change
1. Local radio	$156.0	4.4 %
2. National TV	142.8	19.4
3. Local TV	131.1	9.1
4. Promotion	63.1	2.9
5. Print	58.9	3.0
6. National radio	55.1	7.2
7. Outdoor	17.0	-2.9
8. Transit	4.2	-10.6

Source: *Hispanic Business*

Sears rolls out the bucks

1990 top Hispanic market advertisers in millions of dollars and % change from 1989

	Expenditures	% change
1. Procter & Gamble Co.	$29.8	1.7 %
2. Philip Morris Cos.	8.7	1.2
3. Anheuser-Busch Cos.	8.6	2.4
4. Sears, Roebuck & Co.	8.2	78.3
5. Colgate-Palmolive Co.	7.6	-2.6
6. McDonald's Corp.	7.3	5.8
7. Coca-Cola Co.	6.6	10.0
8. Ford Motor Co.	5.2	4.0
9. Adolph Coors Co.	5.1	-1.9
10. Burger King Corp.	4.8	6.7

Source: *Hispanic Business*
Advertising Age graph: John J. Bohorquez

Cosmetics, cereals, cars to take center stage

Spanish-language media sellers hunger for fresh entrees on their table. As Spanish-language media audience growth approaches maturity, executives such as Gary McBride, senior VP-sales and marketing at Telemundo Group, feel new-business development will take on an increasingly crucial role.

"We cannot look at a continued increase in audience share to build our revenues forever," he says.

Gene Bryan, VP-national sales manager of Katz Hispanic Radio, is making perhaps the most impassioned plea for bringing in new blood.

Failure to do so will result in loan foreclosure, he says.

"Even if you took all of the market's 1990 dollar growth and gave it all to one media company, that doesn't even help them service their debt," he says, noting Telemundo, Univision Network, Spanish Broadcasting System and other media companies are highly leveraged.

"If 7.6% [annual growth] is the trend," he adds, "those people investing millions are not going to see a return on their investment and meet bank requirements."

Those on the front lines of new-business development efforts at Spanish-language media say they'll be calling on companies in the following categories throughout the year:

■ Cosmetics, even though efforts to crack this category have stalled and category spending leader Maybelline Co. cut back in 1990.

■ Tourism, following Mexico's inaugural tourism campaign.

■ Mexican products, anticipating a windfall from the proposed free-trade agreement between the U.S. and Mexico that should facilitate cross-border marketing.

■ Telecommunications, primarily US Sprint and MCI Communications Corp., which are expected to challenge AT&T Co.

■ Domestic automakers, following higher spending among import advertisers, notably American Honda Motor Co., Mazda Motors of America and Nissan Motor Corp. USA.

■ Financial services, including credit cards, insurance, money transfer and banking services.

■ Confections—although Hershey Foods Corp., Nestle Foods Corp. and Mars Inc. are on *Hispanic Business'* Top 50 advertisers list already, they spend only $5 million combined on limited brands.

■ Cereals, with Kellogg Co. rumored to be making an introductory splash in the market this summer, triggering escalation in spending by General Mills, Ralston Purina Co. and Quaker Oats Co. □

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Hispanic nets humming, 'Hooray for Hollywood'

By Marcy Magiera and Christy Fisher

The major Hollywood studios that drove the TV networks' upfront selling season will be a boon to Hispanic TV in 1991.

"We're looking for substantial increases from the movie industry," says Peter von Gal, VP-national sales, new-business development for Univision Network.

Mr. von Gal says he expects the "few million dollars a year in advertising" the studios spent last year with Univision will grow about 50% in 1991.

Telemundo Group executives echo the sentiment. Movie advertising has been one of its fastest-growing ad categories, going from "close to zero" in 1988 to $900,000 in 1990, says Gary McBride, senior VP-marketing and sales. Category spending in 1991 easily should surpass $1 million, he adds.

The eight major studios—Columbia Pictures Entertainment, Walt Disney Co., MGM/Pathe Entertainment, Orion Pictures Corp., Paramount Pictures Corp., Universal Pictures, Warner Bros. and 20th Century Fox Film Corp.—all advertise, to varying extents, on Spanish-language TV.

Observers say this year the studios will advertise a broader range of films than the action and horror movies traditionally promoted to Hispanics.

"What movies are good for the Hispanic market? All of them," says Santiago Pozo, president of Hispanic agency Arenas Group and former manager of special markets at Universal. He says studio executives think Hispanics are interested only in films with Hispanic themes or characters, but any film of interest to the general population can do well in the market.

A 1988 study commissioned by Telemundo found that 50% of Hispanics usually see comedy films, which, unlike adventure films, require a greater command of English.

Recently Disney used Hispanic media to promote the comedy "Three Men and a Little Lady" and the animated film "The Rescuers Down Under."

Another reason for the additional activity is the studios now realize Hispanic moviegoers are bilingual.

The Telemundo study reported that 84% of all movies attended by Hispanics are in English. A recent Hispanic TV spot for Orion's "Eve of Destruction" featured a Spanish-language voice-over and a clip in which actor Gregory Hines speaks in English.

"On a [cost-per-thousand] basis, ethnic media has always been very attractive," says Alan Dinwiddie, VP-special markets for Walt Disney Co.'s Buena Vista Pictures Marketing unit.

But some studios are split over whether bilingual capabilities make Spanish-language advertising an effective buy.

Despite advertising "Eve of Destruction," Beverly Weinstein, VP-media at Orion, says she needs more research to assess Hispanic media's efficiency. The studio is looking for answers to questions concerning which theaters Hispanics attend and identifying differences in movie-going patterns between Hispanic consumers in various income levels.

"What we are aiming to do in 1991 is get a better understanding of the market," Ms. Weinstein says.

Despite the questions over efficiency, Hispanic agencies representing studios expect a big year from these clients.

Luis Bouroncle, president of Hispanic Entertainment Specialists, estimates his clients—including Warner Bros., Universal, Columbia and Disney—will place a combined total of $4 million in Hispanic TV, up about 33% from 1989. Recent releases handled by Mr. Bouroncle's agency include Universal's "Kindergarten Cop" and "Problem Child."

This also may be the year comprehensive Spanish-language movie marketing campaigns replace scattered print and TV buys.

Campaigns for Disney releases eventually will include publicity, promotions and ads. The studio intends to go beyond "just buying some spots" on the Spanish-language networks, Mr. Dinwiddie says, who Disney hired from Uniworld Advertising, New York, six months ago to coordinate ethnic marketing.

"The fact that I'm here says we're going to do a lot more than just look at [ethnic advertising]," he says. □

In a shift from pushing action and horror films, studios now are promoting comedies such as "Kindergarten Cop" and "Problem Child" to Hispanics.

Being bigger not always better

1990 top U.S. cities in Hispanic population and Hispanic media expenditures in millions

City	Hispanic population	Hispanic media expenditures
Los Angeles	6,080,304	$139.5
New York	2,737,098	89.5
Houston	1,300,038	19.4
Chicago	1,284,147	30.5
Miami	1,014,356	92.0
San Francisco	1,008,410	26.2
San Antonio	987,080	19.7
McAllen/Brownsville, Texas	815,998	NA*
Albuquerque, N.M.	651,616	NA*
El Paso, Texas	641,954	9.4

*Cities not ranked in *Hispanic Business'* list of top 10 in media expenditures

Source: U.S. Census Bureau; *Hispanic Business* **Advertising Age graph:** Cynthia Watson

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Autos gain top ad awareness

By Kate Fitzgerald

Automobiles rolled to the top of *Advertising Age's* adWatch survey in December, taking the top three spots for the first time.

Automobiles in general placed No. 1 in the monthly survey of advertising awareness, up from No. 4 in November, when the category as a whole tied with Chevrolet.

Ford was up one notch to second place, followed by Chevrolet in third.

Most major automobile marketers maintained their advertising levels in December, after breaking new campaigns last fall. However, General Motors Corp. and Chrysler were among a handful of auto advertisers to add fuel-economy messages to their TV spots in response to rising consumer fuel prices.

McDonald's was No. 4 in the survey, followed by Anheuser-Busch's Budweiser and Pepsi-Cola, which tied for fifth place. Coca-Cola and Toyota tied for No. 7.

Eveready Battery Co.'s persistent pink bunny character helped its Energizer brand remain among the top 10, where it placed No. 9 on the strength of its fourth-quarter campaign.

AT&T and grocery stores in general tied for 10th.

In aided awareness, mentions of Ralston Purina Co. in the **pet food** category increased significantly in December. Alpo led the category with 15.4%; Purina was second with 11.8%; Purina Puppy Chow, third with 3%; Carnation Co.'s Friskies, fourth with 2.2%; and Purina Dog Chow, fifth with 2.1%.

In the **tire** category, Bridgestone appeared among the top 5 for the first time in a year. Goodyear led the category with 22.5%; Michelin was second with 21.1%; Firestone, third with 7.1%; BFGoodrich, fourth with 2.7%; and Bridgestone and General Tire tied for fifth with 1.1%.

AdWatch is a joint project of *Advertising Age* and the Gallup Organization. Ad awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days. In December, 1,000 adults were polled by phone. The survey's margin of error is plus or minus 3.1%. □

For more information, contact the Gallup Organization, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness Top 10 in December

In December, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind?

Rank 12/90	Rank 11/90	Advertiser	Agency
1	4*	Automobiles (general)	Various
2	3	Ford	J. Walter Thompson USA
3	4*	Chevrolet	Lintas:Campbell-Ewald
4	9	McDonald's	Leo Burnett USA
5*	2	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/-DDB Needham Worldwide
5*	—	Pepsi-Cola	BBDO Worldwide
7*	10	Coca-Cola/Coke	McCann-Erickson Worldwide
7*	7*	Toyota	Saatchi & Saatchi DFS/Pacific
9	7*	Energizer	Chiat/Day/Mojo
10*	6	AT&T	N W Ayer/Young & Rubicam/-McCann-Erickson Worldwide/-Ogilvy & Mather
10*	—	Grocery stores (general)	Various

*Indicates tie. Source: Gallup Organization, Lincoln, Neb.

McD value pitch rolls

OAK BROOK, Ill.—McDonald's Corp. this month will complete the national rollout of its Real Value Menu.

"You'll love the change" is the TV tagline being used in markets where the price reduction strategy is already in place. The "Food, folks and fun" umbrella theme continues, while "Good food. Good value" is being used for selected brand-image spots.

Leo Burnett USA, Chicago, created the advertising.

Chairman Michael R. Quinlan said the strategy is "not discounting but a coordinated program of lower pricing and meal combinations that are a value to our customers, and also good for McDonald's."

He also said he's "thrilled so far" with response to the 91% fat-free Lean Deluxe hamburger patty now in test.

"And if I'm thrilled with it, chances are we may do more with it," he said. □

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ADREVIEW

Wartime patriotism makes for maudlin ads

By Bob Garfield

Garfield

Wartime patriotic fervor has provoked all sorts of repugnant behavior, from Arab baiting to gas mask chic to the unseemly spectacle of soldiers' children on Super Bowl halftime display, trotted out like so many carnival freaks, enticing millions of TV viewers to feel good about feeling bad.

It is at such times that advertising is typically on the leading edge of American culture, showing the world, in moments of crisis, just how shallow and maudlin we can be.

Curiously, in the midst of Desert Storm, Madison Avenue has been remarkably restrained. But of course there have been some advertisers that simply have not been able to resist. In the Persian Gulf: The Mother of All Battles. On the home front: The Mother of All Bathos.

Print ads for Kent, Newport and True cigarettes, for instance, now will carry little yellow stripes in one corner, according to Lorillard Chairman Andrew Tisch, "to show our support for the troops."

In the genre of war-related advertising, spots from Boeing Co. (l.) and Protection One exhibit good and bad taste, respectively.

Yep, God willing, every one of our soldiers, sailors and airmen will come back alive, so Lorillard can recommence killing them. Like most yellow-ribbon advertising, while the effort is no doubt grounded in the best of intentions, it is not apt to have the best of results.

Anheuser-Busch, via D'Arcy Masius Benton & Bowles, St. Louis, has rerun a 6-year-old, 60-second patriotic paean called "Here's to You, America." The syrupy montage of bald eagles, Clydesdales, steel mill employees, gold medalists and our men in uniform isn't a major thematic departure; the brewer owns the American working class, and the jingoist world view thereof, and therefore flag waving has long been part of its advertising message.

But in the context of Gulf hostilities, it is too much. What used to be merely an overly ardent tribute to good ol' American quality now has an offensive subtext: War is hell. Drink Bud.

That commercial ran on the Super Bowl, which was venue to another all-American adverexcess from another all-American advertiser: Coca-Cola USA.

With Diet Pepsi's mammoth 800 number phone-in promotion scuttled by fears of overloading phone circuits, Diet Coke apparently had been handed a huge tactical advantage in the Cola Wars. But Coca-Cola would have no part of it. Out went funny Leslie Nielsen spots and in came a somber exercise in public handwringing, complete with funereal voice-over:

"Prior to the Middle East crisis, we had planned to run a promotional commercial today called 'Crack the Code for Real Refreshment.' But with our servicemen and women in the Persian Gulf, we feel it would be inappropriate to run our lighthearted commercial at this time." Oh, please.

Was this really a sudden crisis of conscience in Atlanta, or did Coca-Cola USA fear being bested by PepsiCo in the War Effort Sweepstakes? Was this corporate sensitivity, or corporate grandstanding?

Leslie Nielsen cracking jokes is not inappropriate. What is inappropriate is the morbid wallowing in prospective grief. Far from supporting our troops, the dismal tone must be thoroughly demoralizing, bespeaking emotional breakdown on the home front, playing directly into the enemy's psychological warfare hand.

Obviously, death in the Gulf helps put soft drinks and pro sports and TV commercials into perspective —but then, so does death in the violence-torn inner city, on the highways, in the AIDS wards and everywhere else. Life, however, goes on. There is no need to rend the social fabric. The rape of Kuwait is bad enough. Why should we allow ourselves to be Saddamized?

At worst, yellow-ribbon advertising represents base opportunism, exploiting the danger to our armed forces and the anguish of our nation. At best, it is a gratuitous gesture, a sort of heart-on-your-sleeve sanctimony that, by belaboring the obvious, devalues the sentiment behind it.

One prominent exception is a handsome spot from Boeing Co. and Cole & Weber, Seattle: another reprise of another patriotic montage, but more stylishly, subtly executed and minus the implicit sales pitch. To the lyrics of an obscure stanza of "America the Beautiful" we see scene after scene of our armed forces in action, followed by a simple vote of thanks.

Since no viewer is being asked to run down to Boeing to buy a 757 or a C5A, the company's motives, like its message, appear pure.

But then, also from the Pacific Northwest, comes a regional spot called "War Story." It opens, amid much commotion, in what looks like a military command center.

"There's a war going on," the announcer says.

What kind of war? A war on crime. The spot, from Marx/Knoll, Denight & Dodge, Portland, Ore., for a company called Protection One, advertises burglar alarms. □

A diamond hue

New Champagne gems get $5M push

By Cleveland Horton

Recession notwithstanding, a new class of diamonds is about to be introduced to the U.S.

Argyle Diamonds of West Perth, Australia, which produces about one-third of the world's diamonds, plans a $5 million marketing effort to spark interest in colored gems.

The marketing effort is thought to be the largest in the jewelry industry apart from DeBeers Consolidated Mines and the World Gold Council, says Team One, El Segundo, Calif., which won the account early this year. A unit of Saatchi & Saatchi Advertising, Team One specializes in marketing premium products and services.

Argyle has trademarked the name Champagne Diamond to distinguish the colored gems from the better-known white variety. The colored diamonds are further classified in seven color ranges from light champagne to cognac.

Argyle commissioned a study last year to determine consumer interest in the colored jewels. The results noted a strong potential for the stones, particularly in settings that feature contrasting shades of diamonds.

The company says the jewelry will retail for between $800 and $4,000.

A trade campaign starts this month to introduce the Champagne Diamonds, promoting their country of origin. An intensive consumer campaign will follow in mid- to late summer. □

Car ad cuts

(Continued from Page 3)

deadline for Iraq to pull its troops out of Kuwait.

For the Jan. 11-20 period, sales of U.S.-built vehicles fell 25.5%, compared with a year ago, to 191,029, according to *Automotive News*.

Several sources familiar with dealer vehicle orders said last week those orders were running as much as 50% behind year-earlier levels, a reflection of the lack of showroom traffic as consumers worry about the war and recession.

The marketing cutbacks might be short-lived if automakers start to see more opportunity in the market, said Jim Wangers, senior managing partner at Automotive Marketing Consultants.

"The industry is coming off a bad year. Coupled with the uncertainty of consumers, everybody's on the fence, including the imports," he said.

Regional dealer ad group spending, most of which goes into local broadcasting stations, is also slowing because of the sales slump.

Most dealers contribute to those funds on the basis of shipments they receive from the factory, paying either a fixed amount or a percentage of invoice per each vehicle, said Mike Strong, president of Strong Automotive Merchandising, a Birmingham, Ala., agency that handles 33 dealer ad groups and eight individual dealers.

One note of encouragement, Mr. Strong said, is that "individual dealers already have hit the bottom of the trough, and they have come back promoting."

He said dealers still believe pent-up demand will drive up sales after uncertainty about the war's impact comes to an end.

GM agency executives are resigned to the reduced ad spending but worry it will cost market share, especially to Japanese brands.

"If you lose share of voice, there's always the concern you could lose ground that you won't be able to get back," said one agency official.

One reason GM ad budgets aren't set in concrete is that the corporation is giving divisions more flexibility in allocating overall marketing expenses, said a divisional marketing executive.

Money for consumer incentives, such as rebates, is being lumped with funds for advertising and promotional programs.

The divisions can largely determine how to allocate the funds among marketing programs and will have some ability during the year to shift from one program to another.

GM President Lloyd Reuss said recently the company's marketing costs had reached $1,200 per vehicle, including the cost of consumer incentives. That would put GM's total marketing expenditures at nearly $6 billion in 1990.

Cadillac ad spending apparently won't be trimmed from its estimated $90 million level in 1990 because of fierce competition in the luxury segment and the crucial fall introductions of the new Seville and Eldorado models.

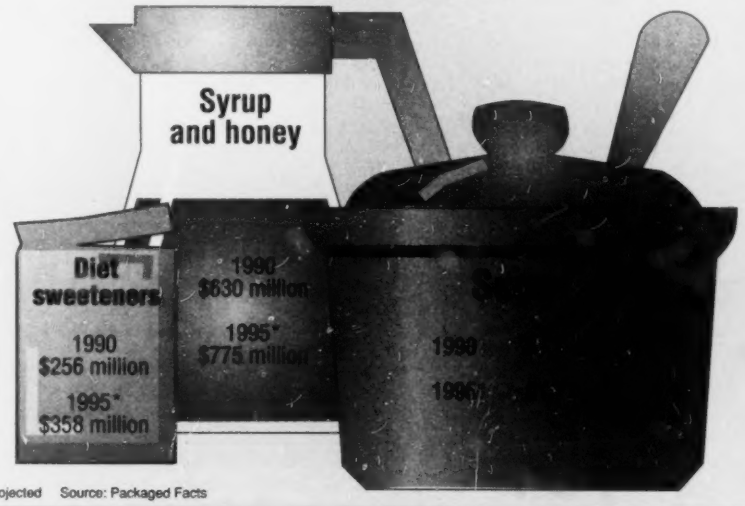
"This will be the time for us to step out very dramatically," said Peter Levin, director of advertising for Cadillac.

Though he declined to disclose ad spending plans, Jay Qualman Jr., Buick's general director of advertising, said "it looks like a challenging year." □

DATAWATCH

Sugar sales turning sour

Retail dollar sales of tabletop sweeteners are slowing down. Total volume increased a meager 3% in 1990 to $2.5 billion; 1989 sales were up 7.5% from the year before. Here's how the three main segments fared in sales.



* Projected Source: Packaged Facts

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TV's upfront: Caution

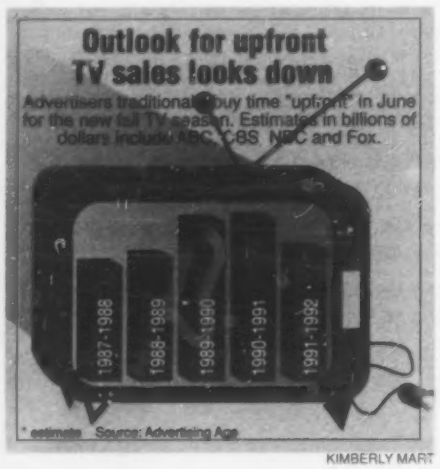
By Wayne Walley

Network TV's upfront market, normally a frenzy of buying activity, won't be the same this year.

Many people predict a significantly softer marketplace in the early-summer period when advertisers make buying commitments for the 1991-92 prime-time season.

Caution is the buzzword.

"The upfront is a gigantic crapshoot," said an executive of a major network advertiser who asked to remain anonymous. "Sometimes you are right on and you buy exactly what you need. [In last year's upfront for the current TV season] we bought too much. . . . We will be much more cautious."


Outlook for upfront
TV sales looks down
Advertisers traditionally buy time "upfront" in June for the new fall TV season. Estimates in billions of dollars include ABC, CBS, NBC and Fox.
1987-1988
1988-1989
1989-1990*
1990-1991
1991-1992
* estimate Source: Advertising Age

KIMBERLY MART

Although this kind of early talk is often dismissed by buyers and sellers as rhetoric and "bargaining in the press," the sober fact is that few ad budgets are likely to grow in 1991.

"I haven't heard of anyone who's spending a large amount of money, and there aren't a lot of introductions of new products on the horizon," the advertiser said.

War jitters and an uncertain economy, coupled with the continued bargains available in the

(Continued on Page 44)

Kraft, Campbell on health kick

New food items take on ConAgra

By Julie Liesse and Judann Dagnoli

Kraft General Foods and Campbell Soup Co. are targeting ConAgra's popular Healthy Choice brand in what looks like a game of catch-up in the food industry.

As ConAgra tests Healthy Choice line extensions in a variety of product categories, No. 1 food marketer Kraft General Foods is ready to test a broad line of "foods for healthier eating" called Kraft Alternatives.

Campbell, burned by Healthy Choice's success in frozen meals, is restaging its LeMenu LightStyle as LeMenu Healthy dinners.

Kraft USA's Kraft Alternatives line starts market-testing this month and is clearly patterned after Healthy Choice, even though the products don't directly compete with that brand as yet.

Not only will the new Kraft products pitch an umbrella nutritional concept but the unifying packaging is green—the Healthy Choice color that's apparently becoming the standard for new nutritional foods.

The 10-item Alternatives line offers products low in calories, cholesterol and fat in six of Kraft's biggest categories—representing food sales of about $6 billion—and appear in multiple areas of the supermarket.

ConAgra's avowed goal with Healthy Choice is to expand to categories throughout the supermarket.

Kraft Alternatives' four dairy products include cream cheese, cheese slices similar to Kraft Singles American cheese and a mozzarella chunk cheese, while a table spread will compete in the margarine category.

In the dry grocery aisles, Kraft Alternatives will offer a Miracle Whip-type spoon-

(Continued on Page 44)

FDA order halts P&G, Colgate toothpaste intros

By Jennifer Lawrence and Judann Dagnoli

Procter & Gamble Co. and Colgate-Palmolive Co. are racing to get the next generation of "super protection" toothpastes to market, but the Food & Drug Administration has called timeout.

P&G, on the brink of introducing Ultra Protection Crest, learned last week the product is likely to be delayed for at least two years because the FDA has determined the toothpaste's active ingredient—triclosan—is a new drug.

The new Crest formula is said to fight gum disease.

The halt order is a dramatic and embarrassing blow to P&G, since the marketer had already presented the product to the retail trade. An estimated $32 million ad campaign from D'Arcy Masius Benton & Bowles, New York, to support the launch has been scrapped.

The anti-bacterial triclosan must undergo the FDA's new-drug application process, which can take from 24 to 36 months to complete, once the supporting data have been filed.

The FDA's position on triclosan also appears to be a setback for Colgate, the leader in the $3 bil-

(Continued on Page 44)

Doug Goodman

Rallying retailers

Retailers are tapping into the patriotic fervor sweeping the U.S. Bloomingdale's opened a "Stars & Stripes" boutique (l.), while Foley's and Carson's ran ads supporting the troops. **See story on Page 4.**

LAST MINUTE NEWS

Livingston buying K/D/P

LOS ANGELES—Keye/Donna/Pearlstein is being bought by Seattle-based Livingston & Co., sources said. K/D/P Chairman Paul Keye is expected to join Livingston's recently opened office here in a principal position. President-CEO Leonard Pearlstein apparently will be leaving. The $5 million Coast Federal Bank account will go to Livingston with Mr. Keye. Two other major accounts at the $40 million K/D/P—the California Department of Health's $28.6 million, 18-month anti-smoking effort and the Department of Commerce's $5 million tourism business—will be up for review this summer. Both accounts are closely associated with Mr. Keye, who wouldn't comment Friday. Roger Livingston, president of Livingston & Co., wasn't available for comment.

Wal-Mart's No. 1

BENTONVILLE, Ark.—Wal-Mart officially become the nation's largest retailer in 1990. Wal-Mart reported retail sales of $32.6 billion, up 26%, followed by Kmart with about $31 billion, up 8.9%. Sears, which had held the top spot, had retail sales of about $26.6 billion, up 6%, said Stacy Dutton, eq-

(Continued on Page 8)

INSIDE

Laurel Cutler talks about her work, the economy and the war

See Page 4

Ad Age names top 200 brands P. 18 • **Special look at Germany** P. 25 • **Data bases retreat** P. 28

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NEWS SUMMARY

- **Kraft General Foods** will test Kraft Alternatives, a line of "foods for healthier eating" patterned after ConAgra's expanding Healthy Choice line. Campbell Soup Co. is restaging LeMenu LightStyle as LeMenu Healthy. **1**
- **Upfront spending** for prime-time TV advertising for 1991-92 may decline 10% to 15% this year. **1**
- **Food & Drug Administration** blocked U.S. marketing of new Crest and Colgate toothpastes for further testing of an ingredient said to fight gum disease. **1**
- **Patriotic sentiment** is leading more Americans to consider buying U.S. cars, two studies suggest. **3**
- **Volvo Cars of North America** selected Messner Vetere Berger Carey Schmetterer as its new agency. **3**
- **Association of National Advertisers** asked the National Advertising Division self-regulatory unit to consider issuing environmental marketing guidelines. **3**
- **Bacardi Breezer,** bucking liquor industry trends, will get an $18 million advertising and promotion campaign. **3**
- **Retailers** are countering a war-related sales slump with patriotic marketing and merchandise. **4**
- **Walt Disney Co.** has set a variety of cross-promotion and licensing deals for three upcoming films. **6**
- **MasterCard and Visa** both plan retail-oriented promotions in the second quarter. **6**
- **Oil companies** have been holding back on advertising since the Persian Gulf War began, but some are now turning to informational ads. **12**
- **Benetton's** new "United Colors" print campaign features condoms of various colors in support of AIDS prevention. .. **16**
- **Haagen-Dazs Co.** will use TV advertising for the first time, in part to back its new frozen yogurt line. **16**
- **Lotus Development Corp.'s** decision not to market MarketPlace:Households software is another sign of consumer revolt against marketing data bases. **28**
- **Environmental standards** are a bone of contention between two groups offering green logos to marketers. **34**
- **Federal Communications Commission** has asked for comments on how to implement, starting next fall, the Children's TV Act of 1990. ..... **35**
- **U.S. pickup truck** marketers are bracing for new competition from Japanese manufacturers. **38**
- **Tourism advertising** around the world is being trimmed due to reduced international travel. But the U.S. travel industry may mount a campaign to attract foreign visitors. . **41**
- **Young & Rubicam** lost two executives in Europe. **43**
- **Lord, Dentsu & Partners** laid off 25 employees after losing Dannon Yogurt Co., now in review. **43**
- **Hardee's Food Systems** kept Ogilvy & Mather as its agency after a review. **46**

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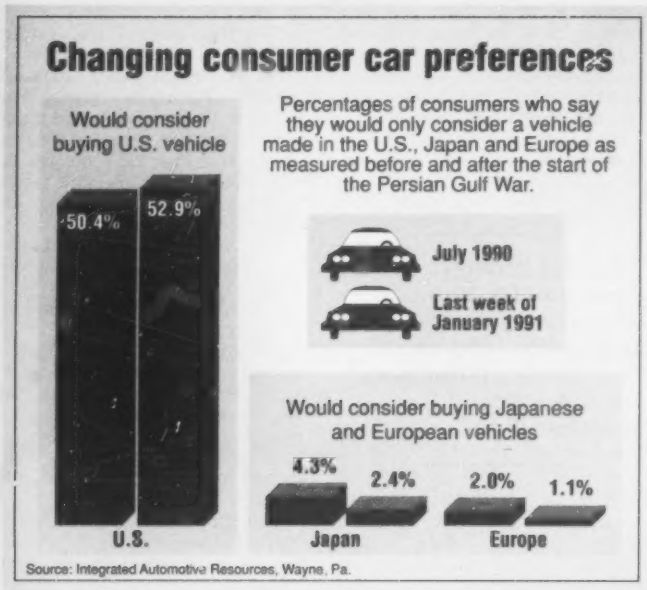
Getting mileage from patriotism

Renewed fervor hikes interest in U.S. cars


Changing consumer car preferences
Would consider buying U.S. vehicle
Percentages of consumers who say they would only consider a vehicle made in the U.S., Japan and Europe as measured before and after the start of the Persian Gulf War.
50.4%
52.9%
U.S.
July 1990
Last week of January 1991
Would consider buying Japanese and European vehicles
4.3%
2.4%
Japan
2.0%
1.1%
Europe
Source: Integrated Automotive Resources, Wayne, Pa.

HOLLY SEGUINE

By Raymond Serafin and Cleveland Horton

A swelling of patriotic sentiment appears to be boosting consumer consideration of domestic cars.

That trend could be accentuated by a possible political backlash against Japan and Germany over their limited roles in the allied effort in the Persian Gulf War.

Two separate surveys suggest Americans look upon U.S. car brands more favorably now than they did before U.S. troops arrived in the Gulf last August. The surveys were conducted by Integrated Automotive Resources, a marketing consultancy, and BBDO Worldwide, New York, whose Detroit area office handles Chrysler Corp.'s Dodge division.

Whether the sentiment translates into any lasting market-share changes remains to be seen.

It may turn out that favorable consideration for U.S. products is at its peak precisely when most people are putting off shopping for new vehicles because of economic uncertainties exacerbated by the war.

Also, any attempt by the U.S. competitors to tie the flag to their products would be viewed by many consumers as cynical opportunism.

Volkswagen U.S. is "cognizant of the trend, and we're watching it carefully," said Ron Dusenberry, manager of advertising.

In recent VW focus groups, consumers have spontaneously raised the issue of the Japanese role in world affairs, Mr. Dusenberry said.

"They're not necessarily hostile, but you get the idea they are going to be watching and interpreting events," he said.

VW has no plans to shift away from emphasizing its German heritage in its "Fahrvergnugen" ad campaign, Mr. Dusenberry said, describing any such move as an overreaction. DDB Needham Worldwide, New York and Troy, Mich., created the campaign.

He suggested VW is less at risk than Japanese brands or luxury

(Continued on Page 45)

GULF CRISIS

- Retailers roll out patriotic merchandise—P. 4
- Oil companies try to work around image problems—P. 12
- Travel campaign targets Europeans—P. 41

Volvo makes shift

Pay plan tied to sales helps Messner

By Raymond Serafin and Jon Lafayette

A compensation proposal tied to Volvo's future performance helped Messner Vetere Berger Carey Schmetterer, New York, win a three-way contest for the $40 million Volvo Cars of North America account.

The agency's creative pitch played a big part, too, by communicating Volvo's traditional ad themes of safety, reliability, durability and value "in very compelling, human ways," said Bob Austin, manager of public relations and one of six Volvo executives involved in the final review.

■ O&M keeps Hardee's account—Page 46.

The agency's work won't break until sometime after April 1, when it officially takes over from Scali, McCabe, Sloves. Scali resigned last November after revelations cars had been rigged for a product demonstration commercial in which a "monster" pickup truck failed to crush a Volvo.

William Hoover, Volvo's senior VP-marketing, called agency President Bob Schmetterer on Feb. 6 to say, "Welcome back." Mr. Schmetterer worked for Volvo as market research director starting in 1967 and in 1971 moved to Scali, where he was managing director of the Volvo account.

The other finalists were Altschiller Reitzfeld/Tracy-Locke and Rosenfeld, Sirowitz, Humphrey & Strauss.

Each agency prepared a national image campaign and a regional market support program, with Volvo reimbursing each up to $15,000 for expenses.

Volvo considered the quality of research, formulation of strategy, application of

(Continued on Page 45)

Greening of NAD?

ANA seeks guidelines from self-regulatory arm

By Steven W. Colford

WASHINGTON—The ad industry's scramble to develop environmental marketing guidelines took a new twist last week when the Association of National Advertisers asked the industry's self-regulatory arm to consider issuing green guidelines.

The ANA's request to the National Advertising Division of the Council of Better Business Bureaus comes as the Federal Trade Commission this week is expected to receive a similar request from a group of major marketers and trade associations, including the ANA (AA, Feb. 4).

The same industry-drafted petition will form the basis for the request to NAD, said ANA President DeWitt Helm Jr.

Mr. Helm acknowledged he expects some critics to charge that the decision to go to NAD is an attempt to keep government out of the advertising guidelines business. But he said advertisers are so anxious for environmental guidelines that going to NAD will save time.

"We already have met with the FTC, and they see this as compatible," Mr. Helm said. "But, knowing that there is bureaucracy everywhere, hopefully the NAD can move more quickly in this regard than the FTC likely will. I'd like to see the NAD's eventual guidelines to be so well thought of and developed that all the FTC would have to do would be to use them as their own."

The ANA's request already has the endorsement of the American Advertising Federation and likely will win support from the American Association of Advertising Agencies, Mr. Helm said. He also said he expected the support of Jim McIlhenney, president of the Council of Better Business Bureaus. Mr. McIlhenney wasn't available for comment.

In addition to saving time, a set of guidelines issued by NAD would provide a road map to avoid regulatory pitfalls. State attorneys general remain active in monitoring green marketing, Mr. Helm noted, and there's no guarantee the FTC won't ulti-

(Continued on Page 42)

Breezer breathes life into liquors

By Patricia Winters

Bacardi Imports' Bacardi Breezer, introduced nationally last April, has shocked competitors, retailers and industry analysts with a phenomenol sales record at a time when liquor sales are declining.

Case sales hit 3.95 million last year, according to figures from John C. Maxwell Jr., analyst with Wheat, First Securities.

Even more amazing is that the low-alcohol, rum-based cooler with fruit juices racked up its gains as wine coolers continued a precipitous decline, Mr. Maxwell said.

One source, Jobson Publishing Co., publisher of "Jobson's Liquor Handbook," said Breezer is now the No. 3 liquor brand behind leader Bacardi rum and Heublein's second-ranked Smirnoff vodka.

Bacardi Breezer also may go down in liquor industry lore as the brand that broke the barriers of liquor marketing.

"They've been able to advertise [Breezer] in places that they couldn't before," said Gail Zelitzky, president of Foremost Sales Promotions, a unit of the 300-unit national Foremost Liquor store chain.

Bacardi has advertised Breezer on TV and radio even though the product is a distilled spirit. Bacardi convinced the Distilled Spirits Council of America in 1988 to ease its self-imposed industry ban on broadcast advertising for spirit-based coolers with an alcohol content of 7% or less.

Bacardi Breezer's alcohol content is 4% by volume, equivalent to most beers and wine coolers.

The TV networks still refuse spirit-based products, though they allow local affiliates to decide for themselves, so Breezer last year got spot TV and spot radio support in addition to print and outdoor.

This year, Bacardi Breezer w[illegible] an $18 million advertising and promotion campaign, complete with a national concert-tour sponsorship. A network radio campaign will be included for the first time.

McCaffrey & McCall, New York, handles the brand.

Bacardi Breezer became one of the hot liquor brands in 1990 partly because of TV advertising.

Keeping Breezer from being a passing fad is a big challenge for Bacardi in 1991.

Breezer could be another peach schnapps, which saw sales skyrocket in the mid-'80s and then take a nose-dive, Mr. Maxwell said.

"A lot of times it's just the kids that think it's a wonderful thing and then after they have their fun, they go on to the next thing," he said.

To prevent that, Bacardi this week will

(Continued on Page 42)

Group's TV spending clout increases in *Ad Age* regular report tracking media expenditures

THE TOP 200 BRANDS

AT&T leads in brand spending

By R. Craig Endicott

AT&T Co. continued to conquer media spending heights, priming its arsenal of products and services with $371.6 million in advertising in the first three quarters of 1990.

The company's 58.9% increase in spending over the same period a year earlier outdistanced all other advertised brand names in the U.S. in *Advertising Age's* Top 200 Brands listing.

McDonald's Corp. was second at $334.7 million, up 5.8% from the first three quarters of 1989. That puts it within striking distance of AT&T when full-year 1990 data are published May 20 by *AA*.

AT&T applied media tonnage in particular to network, spot and syndicated TV, backing long-distance lines with $121.5 million for the three-quarter cumulative.

AT&T rival MCI Communications Corp. was No. 90 among the Top 200 brands; US Sprint was No. 58.

AA calculates the Top 200 brands each quarter from nine-media, year-to-date totals provided by LNA/Arbitron Multi-Media Service.

A "brand" is every product or service marketed under the same name. A brand's ad total can cross LNA/Arbitron-designated subclasses, but brand advertising totals in this ranking include only amounts from those subclasses where spending exceeded $1.5 million.

As a group, the 200, ranging from AT&T's high to No. 200 Arby's restaurants at $21.3 million, claimed 38.3% of the $28.7 billion in advertising spent in the first three quarters by 39,000 brands monitored by LNA/Arbitron.

The 200's media presence claimed 62.5% of all network TV spending, up from 57.5% a year earlier; 33.2% of spot TV, up from 30.9%; and 56.9% of syndicated TV, up from 44.8%.

Renewed third-quarter spending by the Top 200 in consumer magazines kept year-to-year dollar movement in that ad-starved medium in the black. After a 4.1% decline in first-half magazine spending, the 200 boosted their third-quarter magazine outlays 22.7% from the same period in 1989, to elevate all category spending 2.6% for three quarters.

The Top 200 brands accounted for 30% of magazine advertising in that third quarter.

While talk of a recession surfaced in the third quarter, it didn't materialize in media spending. All nine monitored media showed year-to-year increases for the third quarter.

Automobiles, claiming 21% of the Top 200's ad volume, provided a big third-quarter ad stimulus of $706 million, up 45%, to produce a three-quarter cume of $2.3 billion.

The automotive category, consisting of 28 brands, accounted for 38% of the Top 200's ad growth for the quarter.

On a year-to-year basis, spending by foreign auto marketers rose 23.7%, while domestic producers registered an 8.4% advance.

Retailers, the second-largest category, claimed ad spending of $1.19 billion for the three quarters, up 13%. Sears, Roebuck & Co. led retailers at $297.3 million, up 9.5%.

Among retailers, only Campeau Corp.'s No. 170 Bloomingdale's stores and R.H. Macy & Co.'s No. 21 Macy's stores reduced advertising.

Advertising for food—the third-largest group at $1.13 billion from 19 brands—rose 15.6% for the three quarters. Nearly 34% of the category ad volume, or $385 million, was attributed to the nation's largest advertiser for all brands, Philip Morris Cos.

Philip Morris had five food brands on the 200 chart, led by No. 9 Kraft foods.

With 10 brands on the list, the most of any 200 parent, Philip Morris backed its brands with $664.3 million to edge General Motors Corp.'s $632.5 million, supporting seven brands.

Procter & Gamble Co., the nation's second-largest advertiser when all brands are included, backed nine brands with $318.1 million, up 29.4%, but finished eighth among parents of the 200.

The method of ranking by cumulative ad volume may minimize the impact of seasonal ad spending on the list's makeup, but it couldn't stop the summer sun from heating up some budgets.

Of the 12 newcomers to crack the list, most carried seasonal ad luggage. Their leader was Reebok International's Reebok shoes and sportswear at No. 130. Anheuser-Busch's Michelob beers re-entered the list, after a quarterly hiatus, at No. 165.

Thompson Medical Co.'s Ultra Slim-Fast diet products placed 46th. The brand's 314.4% ad growth led all other brands in year-to-year percentage growth.

Chrysler Corp.'s Eagle, No. 128 in first-half advertising, spent only $100,000 in the third quarter to drop from the three-quarter cume. □

Top 10 categories among top 200 brands for three quarters 1990

		Measured ad spending			Ad spending by media			Number
Rank	Category	1990	1989	% chg	Print	Broadcast	Outdoor	of brands
1	Automotive	$2,333.3	$2,025.0	15.2	$595.6	$1,730.6	$7.2	28
2	Retail (non-food)	1,188.9	1,049.2	13.3	673.5	514.4	1.0	20
3	Food	1,128.1	975.8	15.6	93.3	1,034.6	0.3	19
4	Restaurants	953.3	866.0	10.1	8.8	935.4	9.1	11
5	Entertainment & media	781.5	664.0	17.7	298.2	478.8	4.5	16
6	Beverages, coffee	542.0	468.3	15.7	36.7	501.3	4.0	10
7	Cosmetics & toiletries	486.8	430.1	13.0	163.2	322.7	0.1	15
8	Telephone services	469.2	311.5	50.6	88.7	380.2	0.3	3
9	Airlines	378.2	333.4	11.1	224.8	142.0	3.4	8
10	Beer	353.9	381.5	(7.2)	17.9	328.0	8.0	4

Notes: Dollars are in millions. Totals include only brands from within the top 200. January through September 1990. **Source:** LNA/Arbitron Multi-Media Service.

Top 10 parent cos. of brands in top 200 for three quarters 1990

		Measured ad spending			Ad spending by media			Number
Rank	Company	1990	1989	% chg	Print	Broadcast	Outdoor	of brands
1	Philip Morris Cos.	$664.3	$576.5	15.2	$129.5	$493.9	$40.9	10
2	General Motors Corp.	632.5	583.4	8.4	145.8	484.6	2.1	7
3	Sears, Roebuck & Co.	382.6	332.3	15.1	112.9	269.0	0.6	3
4	PepsiCo	375.9	313.4	20.0	9.5	363.8	2.7	5
5	AT&T Co.	371.6	233.9	58.9	79.2	292.1	0.2	1
6	McDonald's Corp.	334.7	316.2	5.8	3.6	327.2	3.9	1
7	Ford Motor Co.	328.9	299.8	9.7	112.8	214.9	1.0	3
8	Procter & Gamble Co.	318.1	245.8	29.4	52.0	266.0	0.0	9
9	Kellogg Co.	307.8	306.8	0.3	6.1	301.8	0.0	1
10	Toyota Motor Corp.	288.5	177.2	62.8	67.8	220.2	0.4	2

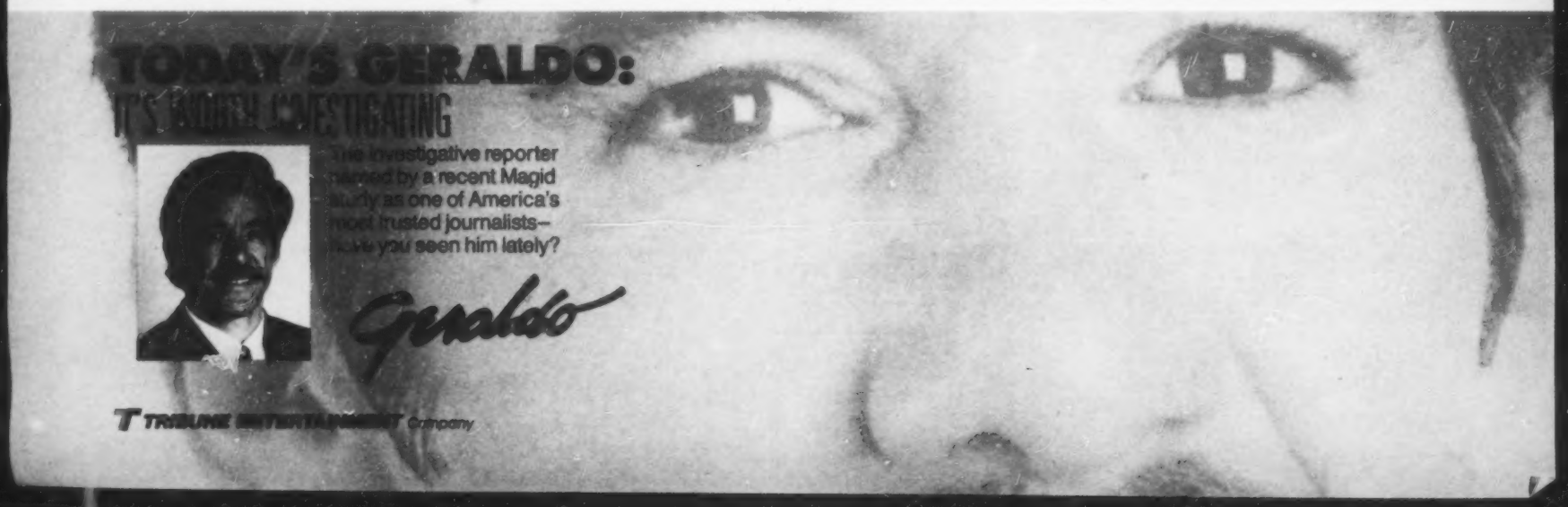
Notes: Dollars are in millions. Totals include only brands from within the top 200. **Source:** LNA/Arbitron Multi-Media Service for January through September 1990.

Top 200 brands' media spending for three quarters of 1990

		Top 200 brands			All measured brands		
Rank	Media	1990	1989	% chg	1990	1989	% chg
1	Network TV	$4,567.7	$3,827.0	19.1	$7,288.7	$6,652.1	9.6
2	Spot TV	2,240.9	1,993.0	12.4	6,743.3	6,455.3	4.5
3	Magazine	1,438.1	1,396.1	2.9	4,721.0	4,599.6	2.6
4	Newspaper	1,300.5	1,214.3	7.1	6,412.2	6,307.9	1.7
5	Syndicated TV	643.0	402.0	59.9	1,129.5	897.7	25.8
6	Cable TV networks	329.5	245.6	34.1	799.1	685.1	16.6
7	Network radio	260.1	243.5	6.8	561.7	493.6	13.8
8	Sunday magazine	123.5	125.0	(1.3)	551.4	512.4	7.6
9	Outdoor	103.2	101.5	1.7	477.1	534.6	(10.8)
	Subtotal print media	2,860.0	2,735.5	4.6	11,684.6	11,420.0	2.3
	Subtotal broadcast media	8,031.1	6,711.2	19.7	16,522.3	15,183.8	8.8
	Total	10,994.4	9,548.1	15.1	28,683.9	27,138.3	5.7

Notes: Dollars are in millions. **Source:** LNA/Arbitron Multi-Media Service for January through September 1990.

AA charts: Kevin Brown


TODAY'S GERALDO:
IT'S BOOBY COVESTIGATING
The investigative reporter named by a recent Magid study as one of America's most trusted journalists—have you seen him lately?
Geraldo
TRIBUNE ENTERTAINMENT Company

Top 200 mega-brands by Jan. to Sept. ad spending

Rank '90	Rank '89	Brand, product, service & parent company	Total measured ad spending 1990	1989	% chg
1	4	**AT&T products & services**, AT&T Co.	$371,570.2	$233,885.9	58.9
2	1	**McDonald's restaurants**, McDonald's Corp.	334,654.5	316,189.7	5.8
3	2	**Kellogg breakfast foods**, Kellogg Co.	307,834.8	306,815.8	0.3
4	3	**Sears stores**, Sears, Roebuck & Co.	297,310.3	271,481.1	9.5
5	5	**Ford cars & trucks**, Ford Motor Co.	253,133.0	224,748.5	12.6
6	7	**Toyota cars & trucks**, Toyota Motor Corp.	217,362.7	157,326.9	38.2
7	6	**Chevrolet cars & trucks**, General Motors Corp.	189,006.0	205,516.3	(8.0)
8	10	**Nissan cars & trucks**, Nissan Motor Co.	175,833.7	128,989.4	36.3
9	9	**Kraft foods**, Philip Morris Cos.	173,110.2	129,133.2	34.1
10	12	**Burger King restaurants**, Grand Metropolitan	130,146.4	122,613.0	6.1
11	17	**Miller beers**, Philip Morris Cos.	128,997.9	99,095.5	30.2
12	15	**Mazda cars & trucks**, Mazda Motor Corp.	126,610.2	106,733.2	18.6
13	8	**Budweiser beers**, Anheuser-Busch Cos.	125,869.9	139,724.7	(9.9)
14	16	**Pepsi beverages**, PepsiCo	125,216.0	100,539.8	24.5
15	20	**Kmart stores**, Kmart Corp.	122,520.0	89,999.9	36.1
16	14	**Coca-Cola beverages**, Coca-Cola Co.	117,985.4	107,196.9	10.1
17	32	**General Motors cars**, General Motors Corp.	112,666.6	72,864.8	54.6
18	33	**Buick cars**, General Motors Corp.	108,724.4	71,852.1	51.3
19	11	**American Express services**, American Express Co.	108,540.4	128,367.9	(15.4)
20	36	**Chrysler cars & trucks**, Chrysler Corp.	108,174.3	68,639.5	57.6
21	13	**Macy's stores**, R.H. Macy & Co.	97,493.9	107,490.6	(9.3)
22	19	**Penney's stores**, J.C. Penney Co.	94,937.4	92,029.5	3.2
23	29	**Honda cars & motorcycles**, Honda Motor Co.	94,075.7	76,063.3	23.7
24	22	**Kentucky Fried Chicken restaurants**, PepsiCo	88,424.3	88,592.6	(0.2)
25	47	**Nabisco foods**, RJR Nabisco	82,613.7	59,066.8	39.9
26	34	**Pizza Hut restaurants**, PepsiCo	81,916.4	71,376.9	14.8
27	25	**Wrigley's gums**, Wm. Wrigley Jr. Co.	81,639.2	80,882.1	0.9
28	23	**Post cereals**, Philip Morris Cos.	80,580.3	82,417.8	(2.2)
29	31	**Warner books, films, videos**, Time Warner	79,909.2	74,517.2	7.2
30	43	**American Airlines**, AMR Corp.	79,889.9	61,364.3	30.2
31	18	**Dodge cars & trucks**, Chrysler Corp.	79,796.8	98,398.4	(18.9)
32	35	**Pontiac cars & vans**, General Motors Corp.	78,751.5	69,302.1	13.6
33	42	**Universal City Studios**, Matsushita Electric Industrial Co.	75,499.8	61,595.4	22.6
34	40	**Tylenol remedies**, Johnson & Johnson	75,216.3	63,697.1	18.1
35	27	**Disney entertainment, resorts**, Walt Disney Co.	75,212.8	77,213.4	(2.6)
36	30	**Coors beers**, Adolph Coors Co.	74,250.6	75,172.0	(1.2)
37	26	**Columbia pictures, videos, records**, Sony Corp.	73,651.4	78,749.6	(6.5)
38	167	**Lexus cars**, Toyota Motor Corp.	71,097.2	19,866.4	257.9
39	21	**Oldsmobile cars**, General Motors Corp.	70,290.0	89,345.6	(21.3)
40	46	**Montgomery Ward stores**, Montgomery Ward & Co.	69,310.7	59,265.5	16.9
41	50	**Paramount films & videos**, Paramount Communications	68,956.8	55,967.4	23.2
42	44	**Acura cars**, Honda Motor Co.	68,556.6	60,232.3	13.8
43	45	**Folgers coffees**, Procter & Gamble Co.	68,042.3	59,315.8	14.7
44	54	**Maxwell House coffees**, Philip Morris Cos.	67,638.5	51,460.8	31.4
45	28	**Marlboro cigarettes**, Philip Morris Cos.	65,869.2	76,864.0	(14.3)
46	183	**Ultra Slim-Fast diet products**, Thompson Medical Co.	65,287.5	15,754.2	314.4
47	38	**Wendy's restaurants**, Wendy's International	64,835.7	67,437.8	(3.9)
48	92	**Nike shoes & sportswear**, Nike Inc.	61,819.0	34,517.2	79.1
49	71	**Touchstone films & video**, Walt Disney Co.	61,195.1	42,075.7	45.4
50	53	**Circuit City stereo stores**, Circuit City Stores	61,062.3	54,377.2	12.3
51	59	**Cheerios cereal**, General Mills	60,885.1	49,098.2	24.0
52	24	**Subaru cars**, Fuji Heavy Industries	59,571.3	82,235.3	(27.6)
53	39	**Hyundai cars**, Hyundai Group	59,478.3	64,166.3	(7.3)
54	56	**United Airlines**, UAL Corp.	59,129.0	51,062.9	15.8
55	55	**Delta Air Lines**, Delta Air Lines	59,079.5	51,111.9	15.6
56	76	**L'Oreal cosmetics & hair products**, Nestle SA	58,781.2	38,587.7	52.3
57	68	**Taco Bell restaurants**, PepsiCo	58,447.0	42,783.5	36.6
58	65	**US Sprint telephone services**, United Telecommunications	57,087.5	43,628.4	32.2
59	62	**Time-Life books, records, videos**, Time Warner	56,061.1	46,091.6	21.6
60	60	**Domino's pizza**, Domino's Pizza	54,982.1	48,363.8	13.7
61	80	**Volkswagen cars & vans**, Volkswagen AG	54,335.0	37,987.1	43.0
62	61	**Prudential insurance**, Prudential Ins. Co. of America	52,035.9	47,212.0	10.2
63	51	**Mercury cars**, Ford Motor Co.	51,442.9	54,814.0	(6.2)
64	69	**Hallmark cards & stationery**, Hallmark Cards	50,478.9	42,502.1	18.8
65	58	**Clairol hair products**, Bristol-Myers Squibb Co.	50,399.0	49,143.4	2.6
66	52	**Mitsubishi cars & trucks**, Mitsubishi Motors Corp.	49,183.0	54,670.7	(10.0)
67	118	**Goodyear tires**, Goodyear Tire & Rubber Co.	48,967.0	29,486.9	66.1
68	104	**Allstate insurance**, Sears, Roebuck & Co.	48,191.4	32,677.3	47.5
69	48	**Du Pont products**, E.I. du Pont de Nemours & Co.	47,559.1	56,978.6	(16.5)
70	72	**BMW cars**, BMW AG	47,442.6	41,200.9	15.1
71	115	**Cover Girl cosmetics**, Procter & Gamble Co.	47,267.7	29,897.1	58.1
72	77	**Tide laundry products**, Procter & Gamble Co.	47,246.5	38,265.9	23.5
73	70	**May Co. stores**, May Department Stores Co.	46,690.7	42,076.1	11.0
74	108	**Stouffer foods & hotels**, Nestle SA	46,498.3	31,078.7	49.6
75	93	**20th Century Fox films**, News Corp.	46,459.2	34,436.4	34.9
76	86	**Isuzu cars & trucks**, Isuzu Ltd.	46,389.0	35,827.7	29.5
77	67	**Red Lobster restaurants**, General Mills	46,156.9	42,966.6	7.4
78	88	**Advil & Coadvil remedies**, American Home Products Corp.	46,027.1	35,582.8	29.4
79	63	**Weight Watchers foods & diets**, H.J. Heinz Co.	45,846.2	45,133.1	1.6
80	74	**Highland stores**, Highland Superstores	45,558.8	40,111.7	13.6
81	57	**Kodak photo equipment & copiers**, Eastman Kodak Co.	44,980.7	51,021.7	(11.8)
82	105	**Citibank financial services**, Citibank	44,265.2	32,542.6	36.0
83	103	**Eastern Airlines**, Eastern Airlines	42,643.1	32,996.5	29.2
84	79	**GE products**, General Electric Co.	42,384.9	38,155.5	11.1
85	179	**Tri-Star films**, Sony Corp.	42,246.8	16,747.6	152.3
86	181	**Little Caesar Pizza restaurants**, Little Caesar Enterprises	41,991.0	16,295.0	157.7
87	41	**Franklin Mint collections**, Franklin Mint	41,837.6	62,639.3	(33.2)
88	75	**U.S. Army**, U.S. Government	41,024.4	39,040.6	5.1
89	192	**National Dairy Board promotions**, National Dairy Board	40,387.1	11,004.7	267.0
90	94	**MCI telephone services**, MCI Communications Corp.	39,920.7	34,019.7	17.3
91	83	**Midas Muffler shops**, Whitman Corp.	39,152.7	37,002.4	5.8
92	99	**Broadway Department Stores**, Carter Hawley Hale Stores	39,011.0	33,446.5	16.6
93	160	**Nutri/System Weight Loss Centers**, Nutri/System	38,782.0	21,573.0	79.8
94	87	**True Value stores**, Cotter & Co.	38,555.9	35,629.3	8.2
95	125	**Wal-Mart stores**, Wal-Mart Stores	38,395.4	28,255.6	35.9
96	95	**Northwest Airlines**, NWA Inc.	38,335.3	33,905.4	13.1
97	159	**HBO cable TV**, Time Warner	38,241.2	21,698.4	76.2
98	64	**Geo cars**, General Motors Corp.	37,864.9	44,048.9	(14.0)
99	174	**Visa credit card services**, Visa International	37,644.5	17,698.0	112.7
100	78	**Newport cigarettes**, Loews Corp.	37,283.7	38,171.8	(2.3)
101	126	**Discover credit card services**, Sears, Roebuck & Co.	$36,985.1	$28,172.5	31.3
102	124	**Levi's apparel**, Levi Strauss & Co.	36,497.0	28,261.7	29.1
103	49	**IBM computers**, IBM Corp.	36,412.2	56,597.2	(35.7)
104	97	**Jeep trucks & vans**, Chrysler Corp.	35,729.1	33,721.2	6.0
105	134	**Hershey foods**, Hershey Foods Corp.	35,668.5	25,978.1	37.3
106	138	**Gillette shaving products**, Gillette Co.	35,564.3	25,366.3	40.2
107	111	**Cadillac cars**, General Motors Corp.	35,221.5	30,446.1	15.7
108	98	**Keebler cookies & snacks**, United Biscuits (Holdings)	34,855.3	33,577.1	3.8
109	116	**Canon cameras & electronics**, Canon Inc.	34,509.3	29,691.4	16.2
110	112	**Lucky stores**, American Stores Co.	34,238.0	30,380.1	12.7
111	85	**United Parcel service**, United Parcel Service of America	33,956.2	35,834.2	(5.2)
112	161	**Oscar Mayer foods**, Philip Morris Cos.	33,578.7	21,483.9	56.3
113	110	**CBS-TV network**, CBS Inc.	33,461.8	30,936.9	8.2
114	82	**Tropicana juices**, Seagram Co.	33,125.1	37,832.0	(12.4)
115	117	**Lysol cleaners**, Eastman Kodak Co.	32,581.5	29,642.4	9.9
116	119	**7UP beverages**, Dr Pepper/Seven-Up Cos.	32,309.5	29,436.4	9.8
117	114	**Kroger food stores**, Kroger Co.	32,137.2	30,110.1	6.7
118	73	**Johnson household products**, S.C. Johnson & Son	32,087.3	40,526.5	(20.8)
119	141	**Target stores**, Dayton Hudson Corp.	31,588.1	24,656.8	28.1
120	113	**Colgate toothpaste & toothbrushes**, Colgate-Palmolive Co.	31,562.1	30,262.3	4.3
121	91	**Orion films**, Orion Pictures Corp.	31,509.4	34,690.9	(9.2)
122	96	**Total cereal**, General Mills	31,306.7	33,728.2	(7.2)
123	89	**Johnson & Johnson products**, Johnson & Johnson	31,025.5	35,266.8	(12.0)
124	169	**Pearle Vision Centers**, Grand Metropolitan	30,938.7	18,858.3	64.1
125	121	**Crest toothpaste**, Procter & Gamble Co.	30,906.6	29,293.6	5.5
126	120	**Campbell's soups**, Campbell Soup Co.	30,861.1	29,419.0	4.9
127	81	**Continental Airlines**, Continental Airlines Holdings	30,729.2	37,957.5	(19.0)
128	100	**Pan Am airlines**, Pan American World Airways	30,692.0	33,436.6	(8.2)
129	152	**Virginia Slims cigarettes**, Philip Morris Cos.	30,682.6	22,880.3	34.1
130	129	**Reebok shoes & sportswear**, Reebok International	30,608.9	27,008.5	13.3
131	109	**Hardee's restaurants**, Imasco Ltd.	30,508.4	31,069.3	(1.8)
132	90	**Quaker cereals**, Quaker Oats Co.	30,452.2	34,786.9	(12.5)
133	107	**TWA airlines**, Trans World Airlines	29,745.2	31,527.1	(5.7)
134	135	**Lens Crafters Opticians stores**, U.S. Shoe Corp.	29,670.2	25,848.8	14.8
135	130	**Jell-O gelatins & puddings**, Philip Morris Cos.	29,083.1	26,866.4	8.3
136	132	**Kleenex tissues & diapers**, Kimberly-Clark Corp.	28,932.3	26,181.7	10.5
137	84	**Plymouth cars & trucks**, Chrysler Corp.	28,649.7	36,141.4	(20.7)
138	182	**Fidelity banks & funds**, Fidelity Management & Research Co.	28,260.8	16,271.0	73.7
139	150	**Revlon toiletries & cosmetics**, Revlon Group	28,229.0	23,022.1	22.6
140	136	**State Farm insurance**, State Farm Mutual Auto. Ins. Co.	28,173.2	25,701.8	9.6
141	164	**Royal Caribbean Cruise Line**, Royal Caribbean Cruise Line	28,161.2	20,362.1	38.3
142	166	**Excedrin pain relievers**, Bristol-Myers Squibb Co.	27,912.5	20,030.1	39.4
143	66	**Merit cigarettes**, Philip Morris Cos.	27,877.5	43,357.7	(35.7)
144	133	**Safeway food stores**, Safeway Stores	27,094.5	26,061.0	4.0
145	186	**Duracell batteries**, Duracell Inc.	27,047.0	14,843.6	82.2
146	140	**NBC-TV network**, General Electric Co.	27,031.3	24,856.0	8.8
147	151	**General Foods International coffees**, Philip Morris Cos.	26,855.0	22,952.6	17.0
148	128	**Maybelline cosmetics**, Maybelline	26,742.6	27,145.1	(1.5)
149	156	**Betty Crocker foods**, General Mills	26,644.0	22,406.7	18.9
150	153	**Century 21 real estate**, Metropolitan Life Insurance Co.	26,415.6	22,868.1	15.5
151	101	**Clorox household products**, Clorox Co.	26,366.7	33,396.0	(21.0)
152	172	**Head & Shoulders hair products**, Procter & Gamble Co.	26,092.6	18,080.8	44.3
153	154	**Giant food stores**, Ahold International	26,083.9	22,656.7	15.1
154	144	**Walgreen stores**, Walgreen Co.	26,029.4	24,231.1	7.4
155	184	**Ivory soaps, cleaners, shampoos**, Procter & Gamble Co.	25,920.9	15,720.6	64.9
156	148	**Nestle candies, foods, beverages**, Nestle SA	25,893.1	23,760.5	9.0
157	139	**Radio Shack electronics stores**, Tandy Corp.	25,801.6	24,985.5	3.3
158	155	**ABC-TV network**, Capital Cities/ABC	25,726.8	22,568.0	14.0
159	145	**Vons stores**, Vons Cos.	25,400.3	23,985.1	5.9
160	146	**Dr Pepper beverages**, Dr Pepper/Seven-Up Cos.	25,327.1	23,879.2	6.1
161	149	**Beef Industry Council promotions**, Beef Industry Council	25,240.7	23,095.5	9.3
162	127	**Audi cars**, Volkswagen AG	25,157.7	27,235.8	(7.6)
163	106	**Oil of Olay creams & lotions**, Procter & Gamble Co.	25,133.5	31,701.0	(20.7)
164	173	**Neutrogena bath products**, Neutrogena Corp.	24,794.9	17,948.0	38.1
165	37	**Michelob beer**, Anheuser-Busch Cos.	24,773.8	67,503.2	(63.3)
166	199	**Norelco shavers**, Philips NV	24,678.9	7,933.8	211.1
167	196	**Nintendo electronics games**, Nintendo Co.	24,670.9	9,163.3	169.2
168	158	**Alka-Seltzer remedies**, Bayer AG	24,621.1	21,773.6	13.1
169	147	**Mattel toys & games**, Mattel Inc.	24,502.9	23,782.4	3.0
170	137	**Bloomingdale's stores**, Campeau Corp.	24,437.0	25,569.0	(4.4)
171	191	**Infiniti cars**, Nissan Motor Co.	24,388.2	12,406.9	96.6
172	165	**Lincoln cars**, Ford Motor Co.	24,373.9	20,252.4	20.4
173	131	**Heinz condiments & sauces**, H.J. Heinz Co.	23,983.3	26,557.8	(9.7)
174	142	**Mervyn's stores**, Dayton Hudson Corp.	23,968.1	24,323.5	(1.5)
175	198	**Cheer laundry detergent**, Procter & Gamble Co.	23,953.0	8,720.9	174.7
176	171	**MasterCard credit card services**, MasterCard International	23,835.5	18,211.2	30.9
177	168	**Gatorade beverages**, Quaker Oats Co.	23,732.9	18,941.5	25.3
178	157	**Estee Lauder cosmetics**, Estee Lauder Inc.	23,656.1	21,856.0	8.2
179	187	**Luvs diapers**, Procter & Gamble Co.	23,539.6	14,759.9	59.5
180	200	**Motrin IB remedies**, Upjohn Co.	23,523.5	7,227.0	225.5
181	190	**Sports Illustrated magazine**, Time Warner	23,500.2	13,512.9	73.9
182	197	**L.A. Gear shoes**, L.A. Gear	23,258.7	8,871.0	162.2
183	143	**Vaseline products**, Unilever NV	23,082.7	24,285.7	(5.0)
184	180	**Lord & Taylor stores**, May Department Stores Co.	23,017.6	16,651.6	38.2
185	163	**Winn-Dixie food stores**, Winn-Dixie Stores	22,858.7	20,448.5	11.8
186	122	**CBS video**, Sony Corp.	22,830.3	28,309.3	(19.4)
187	175	**Benadryl remedies**, Warner-Lambert Co.	22,748.6	17,327.8	31.3
188	123	**Mennen toiletries**, Mennen Co.	22,738.2	28,287.9	(19.6)
189	193	**Jenny Craig Weight Loss Centers**, Jenny Craig	22,617.4	10,874.6	108.0
190	195	**Blockbuster Video stores**, Blockbuster Entertainment Corp.	22,602.7	9,955.9	127.0
191	176	**Apple computers**, Apple Computer	22,577.9	17,264.2	30.8
192	162	**NutraSweet sweetener**, Monsanto Co.	22,406.9	21,395.3	4.7
193	188	**Marriott hotels**, Marriott Corp.	22,139.8	14,660.1	51.0
194	194	**Frito snacks**, PepsiCo	21,907.7	10,093.5	117.0
195	178	**Sprite beverages**, Coca-Cola Co.	21,793.3	16,748.1	30.1
196	185	**Blue Cross-Blue Shield insurance**, Blue Cross & Blue Shield	21,697.0	15,495.7	40.0
197	177	**Carnival Cruise Lines**, Carnival Cruise Lines	21,607.7	16,876.5	28.0
198	189	**Whirlpool appliances**, Whirlpool Corp.	21,487.6	14,443.9	48.8
199	102	**Hanes apparel**, Sara Lee Corp.	21,485.2	33,111.5	(35.1)
200	170	**Arby's restaurants**, Royal Crown Cos.	21,267.4	18,331.7	16.0

Notes: Dollars are in thousands. Measured media spending includes magazine; Sunday magazine; outdoor; newspaper; network, spot and syndicated TV; cable TV networks; and network radio. **Source:** LNA/Arbitron Multi-Media Service. See story on Page 18.

AA chart: Kevin Brown

Cautious upfront

(Continued from Page 1)

network scatter market, all point toward scaled-back upfront spending. Scatter refers to the remaining time, sold after advertisers commit to time allocated by the networks for upfront.

Some network inventory is selling for as much as 30% below upfront pricing during the current scatter market, while some network time sold for half upfront costs during the fourth quarter.

"There are too many imponderables," said Allen Banks, exec VP-media director for Saatchi & Saatchi Advertising, New York. "No one is bullish now, and no one knows if you can afford to be bullish later. Clients want to play it as close to the vest for as long as possible. Flexibility is what is important to clients right now."

Most industry experts predict a 10% to 15% decline in prime-time upfront spending for 1991-92 with total sales at about $3.5 billion to $3.7 billion, lower than it's been in the past two years.

Last year, upfront spending set a record of $4.3 billion—barely topping the previous year's $4.2 billion—when automakers poured almost $700 million into upfront.

But some expect enough severe upfront cutbacks by key advertisers to drop the total to lower than it's been in four years—as low as $3 billion—despite a potential influx of ad spending related to the Winter and Summer Olympics.

"Historically, Olympics spending came out of corporate budgets, but things are different now," said a media buyer who requested anonymity. "The Olympics will siphon money out of brand budgets, and they will get the money back by taking it out of upfront dollars."

Most people believe some network dayparts, such as children's Saturday morning, late night, news and daytime, will fare well in upfront sales while both network prime time and sports will suffer.

"There may not be enough money in the marketplace to sell out prime time," said Steve Auerbach, senior VP-director of network programming for Ally & Gargano. "The same is true for sports."

"The way people approach the upfront will be different this year, and it could create a new order in buying and selling," said Chuck Bachrach, senior VP-director of network and programming for Rubin Postaer & Associates, Los Angeles. "The networks will have to readjust because of the financial impact of the war. Some categories will want to move upfront and others will wait for scatter."

Network executives, scrambling to drum up first-quarter scatter business and trying to find clients to buy what could be a glut of second-quarter time, dismissed discussion of the upfront selling season as "premature."

Some buyers believe the networks will have to make a few "sacrifice deals," packages with significantly lower prices than last year for a few clients to get the market going.

Others say the networks could simply keep costs per thousand equal to last year to encourage upfront spending and then increase inventory and revenues by adding extra spots within network shows.

"The agencies will say they will not pay increases this year, but the networks can't live with that. Adding inventory is one way to generate more money when you only get minuscule increases," said an agency media buyer who asked to be unidentified. "They've already asked producers to cut 30 seconds or 60 seconds from shows for war updates, so why not use the time for commercials? The producers have to cut the shows down for syndication anyway."

ABC, CBS and NBC have taken the most heat from agencies, advertisers and the public for commercial clutter on TV, but the current network-imposed limit of 7 minutes of commercials per hour of programming is stricter than the 12 to 14 minutes of commercials per hour on some cable networks and the estimated 8 minutes of commercial time in half-hour syndicated shows.

The specter of the war is a key to how the networks will react.

Should the war be prolonged, chances are the upfront market could be delayed or severely curtailed to accommodate advertisers. Buyers will likely demand and could conceivably get more flexibility in upfront commitments, too.

"People are using the war as an alibi, but it's amplified the economic situation," said Kal Leibowitz, president of KSL Media, New York. "People want to buy as close to air date or promotional date as possible if it is a firm deal."

To generate scatter sales, the networks are also offering advertisers regional buys, meaning anything could happen when upfront negotiations start.

The situation doesn't bode well for alternative TV media, including cable, syndication and spot TV.

"If you can buy a 10 rating on network TV at the same CPM as a 0.5 rating on a cable network, why take the smaller rating?" Ally's Mr. Auerbach asked. □

Dental

(Continued from Page 1)

lion worldwide toothpaste market but No. 2 in the U.S. behind P&G.

Colgate had planned on using its own new Colgate Gum Protection Formula, which also contains triclosan, as a platform to strengthen its share position in the $1 billion domestic market and had discussions with the FDA about the product early last year (AA, April 23).

Both P&G and Colgate market triclosan-containing toothpastes outside the U.S. Colgate Gum Protection Formula, sold in 23 countries, accounts for a 6% share of the worldwide toothpaste market, said Andrew Shore, analyst with Prudential-Bache Securities.

Sources familiar with the situation say Colgate had taken steps last year to get approval to make anti-plaque claims for its toothpaste. But Colgate hasn't asked the FDA for formal new-drug approval for the use of triclosan in its toothpaste, said Richard Chastonay, director of the FDA's division of drug labeling compliance.

Colgate didn't return phone calls last week seeking comment. Young & Rubicam, New York, is the Colgate toothpaste agency.

P&G had told retailers Ultra Protection Crest had been clinically shown to kill bacteria, a leading cause of gum disease, and the product was positioned as an "anti-plaque toothpaste," said one retailer.

Teri Glover, a P&G spokeswoman, said Ultra Protection Crest was positioned as "an innovative new product" that offers cavity protection and tartar control as well as fighting bacteria, resulting in a "cleaner mouth."

P&G had gone ahead with its sell-in to the retail trade because it didn't believe a new-drug application process would be necessary since product claims were cosmetic rather than therapeutic, Ms. Glover said. Further, the fact that triclosan toothpaste is marketed extensively outside the U.S. made the new-drug status seem unlikely, she added.

However, "The FDA felt that the addition of triclosan in any oral-care product, regardless of the claims, should be made through the new-drug application process," Ms. Glover said.

She said the company is still discussing the triclosan issue with the FDA, but she declined to comment on whether data have been filed to start the process.

Unilever U.S.' Chesebrough-Pond's unit is skirting the edges of the issue with the rollout of Close-Up Anti-Plaque toothpaste and mouth rinse, which are now starting sell-in to retailers.

The active ingredient in Close-Up Anti-Plaque is stannous fluoride, a widely used ingredient approved long ago by the FDA, a Chesebrough spokeswoman said. She said the brand "stops the bacterial growth and inhibits adhesion [of bacteria] on the surface of the tooth," which she classified as "a cosmetic claim that doesn't need FDA approval."

But the FDA has traditionally viewed plaque-fighting claims as therapeutic rather than cosmetic, and it's not known what view the government agency will have on Close-Up Anti-Plaque.

A national TV, print and radio campaign is expected to break later this month from J. Walter Thompson USA, New York. □

Steven W. Colford contributed to this story.

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Kraft

(Continued from Page 1)

able dressing and five pourable salad dressings.

Kraft Alternatives will go into Information Resources Inc.'s BehaviorScan system in Cedar Rapids, Iowa, and Midland, Texas.

"The key here is the identification of a broad consumer issue, in terms of interest in nutritional products," said Bob San Filippo, brand manager on the project at Kraft. "The Alternatives line will be the consumer's assurance of a significant reduction in fat, cholesterol and calories."

Development of Kraft Alternatives has been a closely guarded project. J. Walter Thompson USA, Chicago, has the potentially huge assignment; executives at other Kraft agencies claimed to be unaware of the brand. TV and print advertising will support the line.

One TV commercial targeted at consumers 45 and older will offer "a dramatization of the consumer confusion over product claims and how to pick out products that meet all their nutritional needs," Mr. San Filippo said.

Some of that confusion is reflected in Kraft's own lineup.

Last year, Kraft established a Kraft Free moniker for fat-free foods in several categories, including three of the Kraft Alternatives categories. The company already has three pourable salad dressing lines: the regular Kraft brand, a reduced-calories version and Kraft Free products.

Although all the Alternatives products are low in cholesterol and fat, some are cholesterol- and fat-free. Kraft General Foods' existing fat-free products—ranging from Entenmann's pastries to Sealtest ice cream—posted sales of $350 million in 1990.

"Our Free products are doing very well, but there seems to be an opportunity for this second line of products," Mr. San Filippo said, referring to Alternatives.

Mr. San Filippo wouldn't comment on whether Kraft General Foods is considering the Alternatives name for other product categories or divisions.

Kraft General Foods' frozen products division is testing Eating Right, a line of frozen entrees low in calories, fat and sodium, and also marketing Budget Gourmet Light & Healthy frozen dinners.

Frozen meals is where ConAgra's Healthy Choice has had its greatest success. But Campbell was out of the gate first with LeMenu LightStyle in 1986, although it was positioned as low-calorie rather than healthy.

"LightStyle had the first national 'healthy' ad campaign [for a frozen dinner line] with our 'Eat smarter' campaign two years ago," said Jim Van Stone, Campbell VP-convenience meals sector. "But LightStyle was perceived as a diet product rather than a healthy product."

To transform LightStyle into LeMenu Healthy and make it more competitive with Healthy Choice, Campbell has reduced the sodium levels in all 21 varieties. Few other adjustments were necessary, Mr. Van Stone said.

"The key here is the identification of a broad consumer issue, in terms of interest in nutritional products."

Mr. Van Stone said the company will hike brand spending to $10 million to $12 million, from $7 million. Creative hasn't been decided; Ogilvy & Mather, New York, handles.

The package will eschew Healthy Choice's signature green.

"We're continuing with our blue color because we don't want to alienate our existing franchise," Mr. Van Stone said.

He said Campbell has a good chance of catching up with Healthy Choice. LeMenu and LeMenu LightStyle ended 1990 with a combined 5.5% share of the $3.9 billion frozen dinner/entree market. Healthy Choice had 8.2%, according to IRI's InfoScan service.

ConAgra now has turned its eyes toward Campbell in another category, testing a line of canned and plastic-tub soups in four markets.

Campbell changed the name of its Special Request low-salt soups, introduced in 1987, to Healthy Request in September. But ConAgra wrote Campbell asking it to "cease and desist" from using the Healthy Request name.

Campbell filed for declaratory judgment in U.S. District Court in Camden, N.J., on Dec. 7, and the case is still pending. □

Patriotism

(Continued from Page 3)

German marques.

"We've seen nothing yet" in terms of a backlash against Japanese products, said Scott Gilbert, exec VP-management director of Team One, El Segundo, Calif., which handles Toyota Motor Sales USA's Lexus account. "But we're sensitive to the possibility."

In Germany, Mercedes-Benz and BMW officials are engaged in an intense lobbying effort to have political leaders disavow recent anti-American demonstrations, reported *Automotive News*.

Officials of the German companies acknowledged their North American marketing units have expressed concern about the potential for backlash from U.S. customers.

According to Integrated Automotive Resources, the number of consumers who said they would consider only a Japanese-built vehicle declined from 4.3% last July, just before Iraq's invasion of Kuwait, to 2.4% in late January. Consumers who would consider only a European make declined from 2% to 1.1%.

During the same period, the number who would consider only U.S.-built vehicles rose from 50.4% to 52.9%.

"These aren't huge differences, but there's obviously been some effect," some Thomas O'Grady, president of the consultancy. Mr. O'Grady said the successful use of U.S. technology in the early days of the war may have generated increased pride and confidence in American products overall.

BBDO's random survey asked consumers between Jan. 10 and 12 whether they had a preference for American branded products in a number of categories such as automobiles, wine, clothing, video equipment, TV sets and stereo equipment, said Thomas Neman, senior VP-director of planning and research at the agency's Southfield, Mich., office.

"The American psyche as a whole tends to overreact toward any problem, whether it's AIDS, the weather, the drought or the Gulf crisis."

"Buy American" sentiment was up across all those categories, he said. In the case of automobiles, 77% expressed a preference for U.S. brands, up from 62% the last time the survey was taken in 1989.

"There has been a growing trend toward pride in American values and pride in American-made products," Mr. Neman said. "And seven out of 10 consumers say that's a trend that will grow more in 1991."

Mr. Neman said it's important that U.S. manufacturers not appear to be opportunistic.

"We have to understand where the consumer's head is at and support him in his position," he said.

Any flag-waving ad campaign would be seen as "patronizing and pandering," said William Ludwig, exec VP-creative director on General Motors Corp.'s Chevrolet account at Lintas:Campbell-Ewald, Warren, Mich.

"The marketers who will do well will be those who align themselves with the broad mainstream of contemporary America," Mr. Ludwig said.

The current surge of American patriotism could be short-lived, he said, but the war could still turn out to be a watershed, causing many people to "reassess how they view the world and themselves."

Current consumer sentiments will change dramatically when the war ends, said John Rettie, editorial director at consultancy J.D. Power & Associates.

"The American psyche as a whole tends to overreact toward any problem, whether it's AIDS, the weather, the drought or the Gulf crisis," Mr. Rettie said. "Individuals forget very quickly. If somebody wants to buy a Mercedes-Benz, they're not going to change their mind because of the war." □

Volvo

(Continued from Page 3)

strategy to creative, media planning and a compensation package.

Messner Vetere "came up with a clever performance-based compensation package that made them our partner," Mr. Austin said. "If we do well, they will do well."

While not divulging details, Mr. Austin said the compensation is tied to Volvo performance measurements such as unit sales and market share. The plan provides a floor of compensation with incentives.

The Swedish carmaker is the No. 1 European importer of luxury autos, in units, in the U.S. Last year, Volvo had U.S. sales of 89,894, down 12.4% from 1989. The company had a 1% share of the new-car market both years.

Mr. Austin said Volvo officials probably "used a longer yardstick" to measure Messner Vetere because of outside speculation Mr. Schmetterer's ties to the company made the agency a prohibitive favorite.

Mr. Schmetterer agreed the mantle of favorite "was a tremendous extra burden." The agency conducted 21 research projects to get a feel for the marketplace.

"We had to work harder, we had further to go to prove to this company who at this very important juncture in their history is making a critical decision, to overcome negative press," he said.

Mr. Schmetterer acknowledged the agency had been pitching the Volvo account for five years, mainly by maintaining relationships with Volvo executives.

"If your relationships are good ones and productive ones, you stay in touch," he said. "Social relationships don't win accounts; business relationships do, ones where there's mutual respect."

Messner Vetere won MCI Communications Corp.'s $80 million account last September, and the Volvo win pushes billings to nearly $200 million. Since November, the agency has added about 20 staffers. □

Gary Levin contributed to this story.

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Protests of CNN hit advertisers

Callers lash Arnett reports, but sponsors support network

An Ad Age roundup

Nabisco Brands and two other national advertisers last week said they had received a handful of angry calls and letters urging them to pull ads from the Cable News Network because of correspondent Peter Arnett's reports from Baghdad.

Sterling Motor Cars and KitchenAid, a division of Whirlpool Corp., also got complaints, but all three advertisers said they would maintain planned schedules on the all-news cable channel.

Despite the controversy surrounding Peter Arnett, ratings remain strong.

Mr. Arnett was the only correspondent reporting from Baghdad until last week, when an ABC correspondent joined him in the war-torn capital of Iraq. At press time, they remained there as reports surfaced that Iraq might be willing to withdraw from Kuwait.

Some of the calls and letters expressed concern that Mr. Arnett was serving as a mouthpiece for Iraqi propaganda. Among other things, Mr. Arnett has conducted a controversial face-to-face interview with Iraqi leader Saddam Hussein.

Some of CNN's advertisers have relayed expressions of concern from the public, acknowledged Joe Uva, head of sales at the network.

"We have had advertisers contact us about phone calls and letters they have received," Mr. Uva said. "But they basically want to make us aware of what some members of the public have expressed. Advertisers realize that the ratings are holding and what the public's overall response has been. The public is the ultimate decider. From our ratings track, it is clear the public still wants CNN to report."

CNN's average 24-hour Nielsen rating within the cable network's universe for the week of Feb. 6 through Feb. 12 was 2.7, reaching 1.5 million households. Last year during the same time period, the average 24-hour rating was 0.7, reaching 380,000 households.

"Advertisers who have asked to re-express [move to another time] their ads are doing so because of war coverage in general and that has been the case since day one," Mr. Uva said. "To my knowledge, we have not had to deal with situations where Mr. Arnett's reporting has caused us to reapportion ads."

Nabisco received a handful of letters and "a few calls" from consumers asking the company not to support CNN because of Mr. Arnett's reporting, said a spokesman for the advertiser.

He said the letters were "thoughtful and intelligent" arguments and weren't the sort of form letters traditionally sent by organized boycott groups.

The company has politely re-

(Continued on Page 48)

State AGs attack downsized brands

By Judann Dagnoli

New York Attorney General Robert Abrams last week proposed state legislation that would require package goods companies to label downsized product changes with the words "reduced," "decreased" or "less" for at least six months.

The New York action could be a bellwether for similar moves from other state attorneys general offices, including Texas, California and Iowa. And that could create chaos for national marketers of package goods.

Texas Assistant Attorney General Stephen Gardner said his office "has opened an investigation" into downsizing, the practice of reducing package weight without decreasing package size or price.

California Assistant Attorney General Herschel Elkins said his office "is monitoring" events and sharing information with the New York attorney general.

The Iowa attorney general's office is also said to be preparing an investigation, but a spokesman said only that the office is "concerned" about downsizing.

The Grocery Manufacturers of America, a trade group whose members produce 85% of all package foods sold in the U.S., said it's steeling itself for further state investigations.

"We would not be at all surprised to see similar moves from other states," said Jeff Nedelman, the GMA's VP-communications.

While downsizing exists, it's a non-issue, Mr. Nedelman said, since marketers have been above-

(Continued on Page 48)

New York Attorney General Robert Abrams

Food marketers cited by New York

- **Quaker Oats'** Rice-A-Roni beef flavor packaging went from 8 oz. to 6.8 oz.; AG comment: Price remained $1.29.
- **Hershey Foods'** chocolate milk mix went from 16 oz. to 14.5 oz.; AG comment: Package size unchanged.
- **Colgate-Palmolive's** Ajax laundry detergent (king size) went from 61 oz. to 55 oz.; AG comment: Package size same; price increased to $2.79 from $2.59.
- **Messer Foods'** Charles' potato chips went from 6.5 oz. to 6.0 oz.; AG comment: Package size unchanged.
- **Gerber Products'** strained baby food went from 4.5 oz. to 4.0 oz.; AG comment: Renamed line "Second Foods"; jar appears same.
- Private label **Shop-Rite's** premium dog food went from 6.5 oz. to 6 oz.; AG comment: Can size unchanged.
- **Ragu Foods'** spaghetti sauce meat flavor packaging went from 15.5 oz. to 14 oz.; AG comment: Jar size appears identical.

Source: New York state Bureau of Consumer Frauds & Protection report on "package shorting."

J&J sets nighttime Tylenol

By Patricia Winters

Johnson & Johnson is aiming to wake up the sleep aids market with new Tylenol P.M.

J&J's McNeil Consumer Products Co., which will start shipping the product to retailers in April, will support the introduction with a multimillion-dollar TV campaign, retail sources say.

A McNeil spokesman confirmed the launch but said Tylenol P.M. would get a "phased-in national introduction." He wouldn't give details.

Tylenol P.M. will contain "a gentle ingredient to help you sleep."

Tylenol P.M. will go up against a growing Excedrin P.M. from Bristol-Myers Squibb Co. The new entry will contain Tylenol's main ingredient, acetaminophen, plus "a gentle ingredient to help you sleep," trade literature says.

Excedrin P.M. is also acetaminophen-based.

This is McNeil's latest effort to extend the popular brand name into new categories, and comes at a time when Tylenol pain reliever is facing ever-increasing competition from products containing ibuprofen, such as American Home Products Corp.'s Advil.

Just last fall, McNeil expanded Tylenol's presence in the cough-cold market with a variety of new

(Continued on Page 46)

LAST MINUTE NEWS

Zuckerman eyes 'News'

NEW YORK—Mortimer Zuckerman, real estate developer and *U.S. News & World Report* chairman, is a potential bidder for the Tribune Co.'s strike-bound *Daily News*. "We've had preliminary discussions with the *News*, but we haven't really determined our level of interest," said Fred Drasner, president of *U.S. News & World Report*. Tribune Co. plans to shutter the tabloid on or around March 20 unless it finds a buyer or settles with its nine striking unions. The unions have said they would like to acquire a stake in the paper if a buyer is found. British media mogul Robert Maxwell is also said to be interested.

Peugeot talks to shops

LYNDHURST, N.J.—Peugeot Motors of America is visiting agencies in what may be a prelude to a review of its $25 million account, now at Lord, Dentsu & Partners, New York. Lord Dentsu Chairman Dick Lord said the client informed him of plans to see other agencies, but "right now, they're committed to us." Sources said Peugeot's search has been encouraged by Paris-based Eurocom, which pulled out as a partner in Lord Dentsu predecessor HDM in

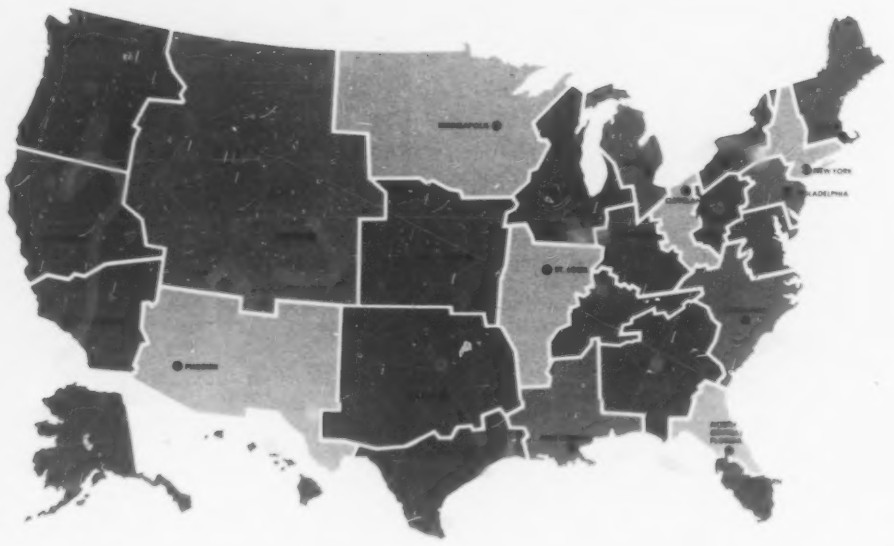
(Continued on Page 8)

INSIDE

Rapid growth has 900 numbers working out kinks
After Page 32

Coupon use rises P. 12 • **Hearst president explains his role** P. 20 • **Newsstand sales falter** P. 37

NOT SINCE THE CIVIL WAR HAS THE COUNTRY BEEN THIS DIVIDED.



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NEWS SUMMARY

■ **Downsizing,** or reducing package weights without decreasing sizes or price, is the subject of proposed legislation in New York and is under investigation by attorneys general in several other states. 1

■ **Johnson & Johnson** will introduce Tylenol P.M., containing a sleep aid, to go against Excedrin P.M. Marketing efforts start in April. 1

■ **CNN correspondent Peter Arnett's** reporting from Baghdad has led to protests from the public to at least three CNN advertisers. 1

■ **U.S. Postal Service** may seek another rate hike next year, direct mailers and newspapers fear. 3

■ **Wal-Mart,** now the nation's No. 1 retailer and planning further expansion, has the lowest ratio of ad spending to retail sales among its peers. 3

■ **Hachette Magazines,** the U.S. unit of the French publisher, has made more executive changes. 3

■ **Toy marketers** are tying their biggest new-product lines to upcoming movies and hit TV programs. 3

■ **Adidas** will introduce worldwide a new footwear and apparel line under the Equipment name. 4

■ **Babbit & Reiman** employees will give up 5% to 6% of their pay in return for a share of the agency's profits. 4

■ **Keye/Donna/Pearlstein,** being acquired by Livingston & Co., saw business shrink in recent years. 4

■ **Carter Hawley Hale Stores'** Chapter 11 filing included $8 million in unpaid bills at the *Los Angeles Times* and Cole & Weber, but agencies and media are learning to accept bankruptcy reorganizations as a cost of doing business. 6

■ **Coupon use** is increasing, according to a survey of supermarket shoppers. 12

■ **Cruise lines** are cutting back European tours but are optimistic about North American sea travel. 16

■ **Kmart** plans an environmental campaign that will include joint programs with suppliers. 33

■ **Single-copy sales** for the last half of 1990 were down for most of the top 20 magazines. 37

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■ **ConAgra** will test a Healthy Choice ice cream-like frozen dessert this spring. 43

■ **Procter & Gamble** will tie in with Keep America Beautiful for a multibrand environmental promotion. 43

■ **Sears** began an ad campaign to promote its catalog division, countering rumors that the retailer will sell or close the unit. 45

■ **WPP Group,** still facing financial pressures, has pared its executive lineup. 47

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Bankruptcy blues

Agencies cope as marketers head for court

An Advertising Age roundup

When Carter Hawley Hale Stores filed for Chapter 11 bankruptcy reorganization last week, it left a total of $8 million in unpaid bills at the *Los Angeles Times* and WPP Group's Cole & Weber.

By late in the week, however, interim financing came through and the media again were accepting ads as the West Coast department store chain began hyping Presidents' Day sales as if nothing had happened.

"It's business as usual," said Scott Marshall, president of Cole & Weber, a Seattle shop socked with $3.5 million in debts for broadcast media it placed for the retailer's northern California Emporium and Weinstocks divisions.

As more major advertisers sort out their financial dealings in bankruptcy court, ad agencies and the media are learning to accept such actions as a cost of doing business.

Della Femina, McNamee, New York, last month saw two clients —G. Heileman Brewing Co. and Pan Am Corp.—plunge into Chapter 11. Chairman Jerry Della Femina said Pan Am was "very current" when it filed, while Heileman owed the agency $563,754.

Mr. Della Femina said Heileman "was not a bad hit."

"I'm sure we'll get it back," he said. "You're talking about a client that spends $20 million to $30 million" annually.

Mr. Della Femina said the agency has grown accustomed to working with clients in Chapter 11.

"We're comfortable, otherwise we wouldn't be working with them," he said.

At Cole & Weber, with $95 million in billings and estimated gross revenues of $14 million, Carter Hawley's unpaid bills appear more burdensome. But Mr. Marshall insisted his agency can absorb the situation with no cutbacks.

"They've been a very good client for us," he said. "We're not terribly distressed."

An executive with close ties to Cole & Weber said the agency can weather the storm—assuming the client eventually repays most of its debt.

"In the end, they'll get paid," he said, though "they'll probably get the nasty letter from Martin Sorrell," chief executive of WPP.

WPP, facing it's own debt problems, has leaned on its agencies to avoid accounts where they risk not getting paid.

New York-based J. Walter Thompson Co., another WPP unit, twice recently has steered clear of accounts where it had financial concerns, though it has been hit in other bankruptcies.

Last year, JWT refused to accept the Continental Airlines account; by year's end, Continental was making its second appearance in bankruptcy court.

"The reality of doing business is that you have clients in various stages of success."

Late last year, JWT also let go of the $60 million media buying account of troubled Bally's Health & Tennis Corp.

Wells, Rich, Greene, which won the Continental business, is said to be owed between $6 million and $7 million by the airline.

Lintas:Ceco Communications, Warren, Mich., was owed $1.34 million when Continental filed for Chapter 11. But the agency continues to handle the direct marketing assignment.

Eugene Beard, chief financial officer at Interpublic Group of Cos., which owns Lintas:Ceco, said the agency expects to get repaid.

"I think we were very cautious in the way we handled" the account, he said. "Could we have handled it better? I don't know, it happened very suddenly."

Lintas:New York has written off the $2 million Eastern Airlines owed it when that airline filed for bankruptcy protection in 1989, Mr. Beard said, stressing that's a small amount of money for a company the size of Interpublic.

As for the media, Times Mirror Co.'s *Los Angeles Times* needs Carter Hawley as much as the department store needs the newspaper.

Carter Hawley's The Broadway-Southern California is both the region's biggest department store chain and, a Times Mirror spokeswoman said, "one of our biggest advertisers."

The Broadway spends nearly

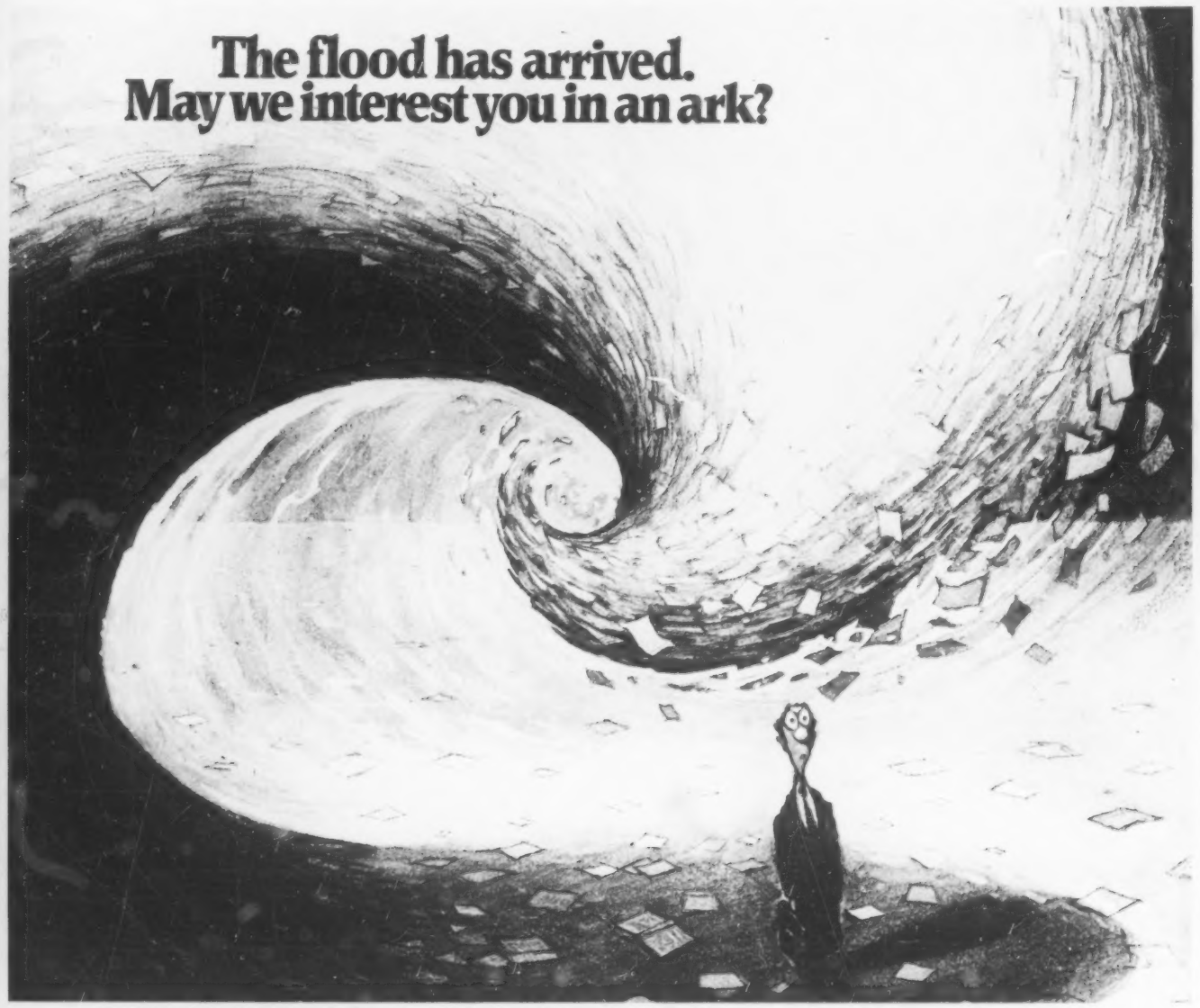
(Continued on Page 8)

Chapter 11 woes

Recent Chapter 11 bankruptcy reorganizations and how they hit agencies and media.

Company	Filed	Agencies & media owed
Carter Hawley Hale Stores	Feb. 1991	Los Angeles Times, $4.5 million; Cole & Weber, $3.5 million
G. Heileman Brewing Co.	Jan. 1991	Della Femina, McNamee, $563,754; WGN-AM, $173,521
Continental Airlines	Dec. 1990	Wells, Rich, Greene, $7 million; Lintas:Ceco, $1.34 million
Eastern Airlines	March 1989	Lintas:New York, $2 million

Source: Bankruptcy filings and industry estimates



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LAST MINUTE NEWS

(Continued from Page 1)

December. Eurocom may be steering Peugeot to talk to agencies Eurocom is interested in buying, the sources said.

CNN Int'l, MCI ink deal

NEW YORK—CNN International, Turner Broadcasting System's special 24-hour international news network, signed MCI as its **first global advertiser**. The communications company bought time on the "International Business Report," said Kay Delaney, senior VP, Turner International advertising sales. MCI's two-year deal is worth $8 million, Turner sources said.

Admen fight AIDS

NEW YORK—Twenty top-level creative directors are joining together to use ads to fight the spread of AIDS. The group's working title is **Ads Against AIDS**. Members include Philip Dusenberry, ceo of BBDO Worldwide's office here; Helayne Spivak, exec VP-executive creative director, Young & Rubicam; and Sean Fitzpatrick, vice chairman, McCann-Erickson Worldwide.

Sony sets review

PARK RIDGE, N.J.—Sony Corp. of America is reviewing agencies for its $15 million to $20 million account as part of efforts to expand its U.S. **consumer electronics** presence. Apparently out is Burkhardt & Christy, New York, which had handled magnetic products. Reportedly in the review are current agencies Geer, DuBois; Mingo Group; and Slater Hanft Martin, all New York, and non-Sony shops Leo Burnett USA, Chicago, and Della Femina, McNamee, New York.

Carl's Jr. seeks new shop

ANAHEIM, Calif.—Carl Karcher Enterprises is reviewing its **$20 million** Carl's Jr. fast-food account, previously at Della Femina, McNamee, Los Angeles. Carl's Jr. and Della Femina said the decision to split was mutual.

Colliver drives to Ayer

DETROIT—Dannielle Colliver, 48, was named president of N W Ayer's office here from manager-passenger advertising for General Motors Corp.'s **Chevrolet** division. She succeeds Robert Kingsbury, who retired.

Scali sees four options

NEW YORK—Scali, McCabe, Sloves Chairman-CEO Marvin Sloves last week denied either Chiat/Day/Mojo or Lowe Group was in discussions to buy Scali from WPP Group. Mr. Sloves acknowledged longtime talks with **Eurocom** and said the French agency is one of four options "to get us out from WPP, which is my single-minded goal." The others are U.S.-based agencies and private investors, he said, declining to elaborate. He said no formal offers have been made.

Louis-Dreyfus pays

LONDON—Saatchi & Saatchi Co. Chief Executive Robert Louis-Dreyfus agreed to pay the U.S. Treasury $213,750 after being accused of **insider trading**, but admitted no wrongdoing. He allegedly told a friend, Adina Cohen, in 1988 about the impending acquisition of IMS International, a market research company. As president, Mr. Louis-Dreyfus arranged to sell IMS to Dun & Bradstreet for $1.7 billion in 1988. His credibility wasn't seen as being seriously tainted, since he wasn't accused of profiting from insider trading.

Vick joins Levine

NEW YORK—Levine, Huntley, Schmidt & Beaver named **Edward Vick**, 46, ceo-president, succeeding Robert Schmidt, who joined client Dreyfus Corp. last month. The agency was renamed Levine, Huntley, Vick & Beaver. Vice Chairman-Chief Creative Officer Allen Beaver, who had planned to leave, said he will stay indefinitely.

Bag those gas masks

Israelis have solved the Persian Gulf War's fashion crisis—how to carry your gas mask in style.

"People got tired of having to openly carry around these death toys," said Martha Meisel, a consumer affairs columnist for the *Jerusalem Post*, an English-language daily. "All the department stores and office supply stores are doing a mad business in the bags. . . . Many people are grabbing them up just as collector items."

Modan has produced more than 100,000 waterproof nylon bags and is running "three factory shifts to keep up with the craze," said Oded Shapira, Modan's deputy managing director. The bags, priced at $4 each, are available in 16 colors.

A $2 white plastic carton is being sold by Pol Sakit through the Co-op department store chain.

"We have gone one step better by adding graphics to our boxes with the slogan [in Hebrew] 'Patriot—that's me,' " referring to the Patriot missiles helping protect Israel from Scud missile attacks, said Aaron Grossbard, Pol Sakit managing director.

While neither Modan nor Pol Sakit has advertised its bags, the *Post* earlier this month started advertising a heavy canvas bag sold for $9 through its mail order department. The campaign is created in-house.

"We are not in it for the profit, and all revenue after costs is going to new Russian and Ethiopian immigrants through our 'Welcome Home' [immigrant assistance fund]. We even gave a free one to Mayor Dinkins of New York when he visited for a day," a spokesman for the newspaper's mail order department said.

—Seymour Gottlieb

NEWSLINE

Marshalls, Andover, Mass., to **Hill, Holliday, Connors, Cosmopulos**, Boston, from AC&R, New York, as agency of record for the chain's $22 million account. . . . **Albertsons**, Boise, Idaho, to **Kresser/Craig**, Los Angeles, from Foote, Cone & Belding for the supermarket chain's account. FCB said spending was $9 million-plus; Kresser/Craig said it's $15 million to $20 million. . . . **Choice Hotels** today breaks a $3 million TV campaign to aid Persian Gulf troops and their families. Five dollars will be contributed to a special fund for each reservation made via a toll-free number through March 31. Gray Kirk & Evans, Baltimore, handles.

GLOBAL NEWS

John Clemenger, 61, national media director of Clemenger BBDO Group, Melbourne, is retiring. **Russell Norton-Old**, Clemenger's Melbourne media director, succeeds Mr. Clemenger as national media director; **Peter Harvie**, managing director of the Harvie subsidiary, will add Mr. Clemenger's title of chairman of that unit. Mr. Clemenger will remain on the boards of Clemenger and Harvie. . . . **Unitel**, London, to **Woolams Moira Gaskin O'Malley** for the $40 million launch next year of a personal communications network in the U.K. . . . **Omega Watch Corp.**, Biehl, Switzerland, to **Scholz & Friends**, Hamburg, for its estimated $30 million worldwide account, previously handled on a free-lance basis. . . . **Courage Ltd.**, London, to **Young & Rubicam** from BMP DDB Needham for its $20 million Foster's beer account. . . . **Colgate-Palmolive** will roll out Acti Brush anti-plaque mouth rinse across Europe after last year's launch in France.

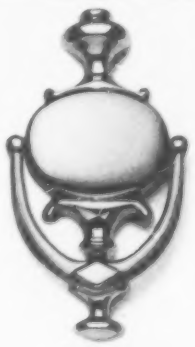
MEDIA NEWS

Buzz, Los Angeles, the upscale lifestyle magazine that made its debut in October, suspended publication with its February/March issue because it can't find new investors. Publisher Susan Gates blamed the Persian Gulf War and the economy, but said she's confident the magazine will find new investors and be relaunched soon. . . . **Dossier**, Washington, cited the ad climate in announcing the monthly will cease publication with its March issue. . . . **Financial News Network Inc.**, New York, agreed in principle to sell FNN's cable programming and business radio network to a joint venture of Westinghouse Broadcasting Co. and Dow Jones & Co. for an estimated $90 million. Separately, FNN and its parent, Infotechnology, agreed to sell their 51% stake in the **Learning Channel** to the Discovery Channel, Bethesda, Md., for about $12.8 million.

PEOPLE

Robert Smith to exec VP-marketing, 20th Century Fox Film Corp., Los Angeles, from VP, Cimarron/Bacon/O'Brien. He succeeds **Cynthia Wick**, who left. . . . **Leonard Forman**, 45, to president, Newspaper Advertising Bureau, New York, from exec VP. He succeeds **Craig Standen**, who left. *(For more people news, see Page 38.)*

The old office



The Home Office

Today there's a new way of doing business. You're just as likely to find an executive working in a suburban colonial as in an urban skyscraper. And these home workers are just as likely to be purchasing office equipment and services as their corporate counterparts. Because technology is the key to their success.

With growth exceeding 15% annually, these 34.8 million home office buyers are changing the face of business by spending an estimated $35 billion on office products.

Reach these decision makers in Home Office Computing, the only magazine written to serve their unique needs. Call Paul Reiss at (212) 505-3585.

Bankrupt

(Continued from Page 6)

$50 million annually in newspapers, with the *Times* the primary beneficiary. The paper, which wouldn't discuss the situation, has little choice other than waiting for the court to rule on repayment of the $4.5 million in outstanding debt.

"The reality of doing business is that you have clients in various stages of success," said Dan Fabian, VP-general manager of the Tribune Co.'s WGN-AM, which is owed $173,521 by Heileman.

He said that debt is a small portion of what the brewer spends on WGN.

Agencies are bound to be drawn into bankruptcy court as creditors, particularly when times get tough for clients, said Robert A. Goodman, president of Robert A. Goodman Associates, a New York accounting firm that handles dozens of ad agencies.

"You can't very well go to every client and say, 'I want you to pay for your own media,' so in bad times, everyone gets stung," Mr. Goodman said.

There are ways to avoid getting stuck with the bill, however, some executives say.

"The question of making sure [agencies] have the client's money first has always been an uppermost thought in our minds," Mr. Goodman said. "Sometimes [agencies] are stupid about it and allow their clients to use the agency's money, which is ridiculous."

The normal relationship between agencies, clients and media is fraught with problems in the case of bankruptcy, said Howard Seife, a lawyer who heads the bankruptcy division of Winston & Strawn's New York office, which represents Della Femina.

"In dealing with the media, the question is, is the agency liable or the principal?" Mr. Seife said. "The relationship is generally unclear."

A former financial executive at a major New York agency said his shop always checked the credit of potential clients before pitching the business.

"We would . . . ask ourselves, 'Would I lend them money?' If we couldn't get [that information because it was] a private company, we wouldn't take the account," the executive said.

On a questionable client, the agency would set a maximum amount of credit and not exceed it. Or it would ask for a letter of credit that could be redeemed from banks when money was owed. Another option was to ask the client to place money in an escrow account to cover media bills.

Asked whether those demands upset potential clients, the executive said: "It indicated an element of financial acumen. I think they respect you." □

Written by Bradley Johnson with reports from Christy Fisher, Jon Lafayette, Jennifer Lawrence, Gary Levin, Pat Strnad, Alice Z. Cuneo and Ira Teinowitz.

MEDIAWORKS

Newsstand sales ebb for top titles

By Ira Teinowitz

The Audit Bureau of Circulations' yearend magazine circulation report provides the clearest sign yet that the economy may be affecting newsstand sales.

Of the nation's top 20 magazines, only two—*National Geographic* and *Newsweek*—reported increases in single-copy sales (up 1% and 5%, respectively) with a third—*Prevention*—reporting no change. The Audit Bureau FAS-FAX report, released last week, compares circulation of the last half of 1990 with the last half of 1989.

The remaining 15 that sell single copies all reported decreases, some large though in some cases balanced by increased subscriptions.

McCall's reported its single-copy sales fell 27.9% to 433,114, though overall circulation fell only 1.4% to 5,020,127. *Family Circle's* single-copy sales fell 20.4% to 3,056,692, but overall circulation was down 0.6% to 5,431,779 because of a 46.3% boost in subscriptions. *Woman's Day*, which offered a 79¢ issue and poly-bagged two issues together one month, saw single-copy sales drop 18.2% to 3,763,247, though overall circulation rose 2.1% to 4,802,842 as the magazine boosted its previously negligible subscription base by nearly 1 million.

"The single-copy marketplace is a disaster. There are twice as many books at checkout, and slotting allowances [offered retailers] are diluting everybody's sale."

Better Homes & Gardens saw its single-copy sales drop 10.4% to 515,833, though the magazine's overall circulation of 8,007,222 was unchanged.

While the decline in single-copy sales appeared a clear trend, overall circulation results varied, according to the report.

In the top 100 publications, the largest circulation decline was reported by *First for Women* (all newsstand sales), down 24.5% to 2,649,810. *Penthouse* reported its circulation fell 14.4% to 1,612,574, well below its 2 million rate base. The publication is cutting its rate base to 1.5 million in July.

The largest increase was posted by *Cooking Light*, up 34.1% to 924,499.

Magazine executives cautioned that the economy may not be completely to blame for newsstand sales declines.

"The single-copy marketplace is a disaster," said Wm Stevens, publisher of *Family Circle*. "There are twice as many books at checkout, and slotting allowances [offered retailers] are diluting everybody's sale. There are also changing shopping patterns, with moms shopping less and teens doing the shopping. But there also are more books and less dollars, and if the choice is between buying a loaf of bread or a magazine. . . ."

Publishers have been switching to subscription sales, said Don Kummerfeld, president of the Magazine Publishers of America.

"One obvious reason is that publishers are pushing subscriptions so well that people who are buying the magazines buy them through subscriptions," he said.

He also suggested people are buying the same number of magazines, but special-interest quarterlies and annuals are giving more competition to traditional magazines.

"The competition for shelf space is becoming fierce," Mr. Kummerfeld said. "Total sales have not declined. This is only looking at ABC numbers. More and more of those titles on newsstands are not sold through subscription or audited."

Special-interest publications are taking a bite out of other magazines' newsstand sales, said Robert O'Donnell, senior VP-general manager of *Playboy*, which reported newsstand sales down 8.7% to 816,291 but overall circulation up 2% to 3,488,006.

"I don't think there is an enormous amount of evidence that it is due to the economy," he said. "These are not high-ticket items. I've been in the newsstand business going on 10 years, and it's been a problem for that long. It's the special-interest publications. They tend not to be ABC-audited, so nobody sees it."

Better Homes & Gardens Publisher Jerry Kaplan said he believes newsstand sales aren't suffering as a whole, but individual magazines are getting hurt.

"My feeling is that it is a zero-sum game," he said. "Consumers will spend X amount of money at the newsstand, and if one magazine is up, another is down."

Other top 20 magazines reporting slipping single-copy sales included *Reader's Digest*, down 3.3% to 893,500; *TV Guide*, off 4.8% to 6,878,716; *Good Housekeeping*, down 6.1% to 1,419,690; *Ladies' Home Journal*, down 0.8% to 960,729; *Time*, down 5.9% to 205,504; *Redbook*, down 1.6% to 741,862; *National Enquirer*, down 6.7% to 3,418,536; *Star*, down 5.4% to 2,974,980; *Sports Illustrated*, down 14.5% to 104,119; and *People*, down 1% to 1,731,808. □

BPA circulation

The largest magazines audited by the Business Publications Audit of Circulation for the six months ending Dec. 31, 1990, compared with the same period in 1989. Annual or semiannual publications aren't included in the list.

Rank	Title	Paid circ.	% chg	Total circ.*	% chg
1	Cable Guide*	10,852,613	44.4	11,091,113	43.2
2	Disney Channel Magazine	—	—	5,165,806	6.1
3	Friendly Exchange	—	—	4,946,139	5.5
4	Investment Vision	—	—	1,844,521	1.3
5	Hertz Travel Guide	—	—	1,569,815	71.2
6	Expecting Magazine	—	—	1,213,013	0.2
7	American Baby	185,568	(7.9)	1,165,073	0.7
8	Baby Talk	4,127	(7.9)	1,081,654	10.6
9	Movies USA	295	—	1,001,628	NA**
10	Mickey Mouse Magazine	346,010	58.8	957,676	35.2
11	Price Club Journal	—	—	935,527	21.9
12	Sports Illustrated for Kids	613,157	44.4	864,606	26.9
13	Departures	—	—	852,557	38.1
14	Realtor News	789,997	(0.1)	793,054	(0.1)
15	PC Magazine	786,041	7.3	786,041	7.3

*Figures reflect October 1990 merger of *TV Entertainment* into *Cable Guide*. **First audit.
Source: Business Publications Audit of Circulation

Consumer magazine circulation

Paid circulation of top magazines as reported to the Audit Bureau of Circulations. Figures are for the last half of 1990 compared with the same period in 1989 and are unaudited.

Rank	Title	Circulation	% chg
1	Modern Maturity	22,430,894	4.7
2	Reader's Digest	16,264,547	(0.5)
3	TV Guide	15,604,267	(1.7)
4	National Geographic	10,189,703	(6.4)
5	Better Homes & Gardens	8,007,222	0.0
6	Family Circle	5,431,779	(0.6)
7	Good Housekeeping	5,152,521	0.0
8	McCall's	5,020,127	(1.4)
9	Ladies' Home Journal	5,001,739	(0.7)
10	Woman's Day	4,802,842	2.1
11	Time	4,094,935	(5.6)
12	Redbook	3,907,221	0.2
13	National Enquirer	3,803,607	(7.3)
14	Playboy	3,488,006	2.0
15	Star	3,431,453	(4.4)
16	Sports Illustrated	3,220,016	(6.0)
17	Newsweek	3,211,958	1.0
18	People	3,208,668	(1.9)
19	Prevention	3,022,108	(3.6)
20	The American Legion Magazine	2,956,342	4.5
21	First for Women	2,649,810	(24.5)
22	Cosmopolitan	2,600,971	(3.7)
23	AAA World	2,573,424	NA
24	Southern Living	2,341,074	1.0
25	U.S. News & World Report	2,311,534	4.6
26	Smithsonian	2,234,706	(4.6)
27	Glamour	2,156,157	(3.1)
28	Field & Stream	2,016,296	0.0
29	V.F.W. Magazine	2,013,256	1.7
30	NEA Today	1,978,641	3.1
31	Money	1,915,053	4.4
32	Home & Away	1,877,949	4.8
33	Life	1,844,482	5.4
34	Ebony	1,810,668	1.0
35	Popular Science	1,807,540	(0.6)
36	Country Living	1,803,867	0.1
37	Seventeen	1,772,362	0.4
38	Parents Magazine	1,743,424	(0.5)
39	1,001 Home Ideas	1,662,102	3.7
40	Popular Mechanics	1,651,064	0.0
41	Discovery	1,644,044	2.3
42	Penthouse	1,612,574	(11.9)
43	Outdoor Life	1,512,464	0.3
44	Woman's World	1,505,312	(3.5)
45	Adventure Road	1,493,624	1.0
46	The Elks Magazine	1,472,652	(1.9)
47	Soap Opera Digest	1,447,041	(1.3)
48	Sunset	1,409,587	1.2
49	Bon Appetit	1,397,559	3.1
50	The American Rifleman	1,378,042	(4.5)
51	Golf Digest	1,357,433	(0.5)
52	Boys' Life	1,357,173	1.7
53	The Family Handyman	1,331,696	(3.7)
54	US	1,326,410	(2.9)
55	Sesame Street Magazine*	1,249,565	1.1
56	Rolling Stone	1,229,280	1.0
57	The American Hunter	1,226,402	(11.2)
58	Vogue	1,215,767	(2.6)
59	Home Mechanix	1,215,178	0.5
60	The Workbasket	1,215,175	(6.2)
61	Globe	1,200,484	(9.7)
62	Mademoiselle	1,178,116	1.4
63	'Teen	1,175,037	6.8
64	Changing Times	1,139,738	(12.3)
65	Discover	1,121,855	6.5
66	Travel & Leisure	1,117,412	0.2
67	Self	1,100,897	(9.3)
68	Golf Magazine	1,068,999	6.8
69	Organic Gardening	1,034,842	(0.2)
70	Country Home	1,029,342	6.9
71	Weight Watchers Magazine	1,020,248	1.2
72	YM	1,008,522	4.3
73	Business Week (worldwide)	1,004,809	1.2
74	Yankee	1,000,784	(0.2)
75	House Beautiful	985,129	4.8
76	Scouting	980,638	3.3
77	Jet	968,545	12.5
78	Car & Driver	959,395	2.7
79	Home	942,159	1.8
80	Sport	925,984	(3.6)
81	Cooking Light	924,499	34.1
82	Popular Photography	911,117	(1.8)
83	Gourmet	899,549	11.4
84	Motor Trend	892,930	9.2
85	Health	878,994	(19.3)
86	Hot Rod	875,938	(3.8)
87	Consumers Digest	873,704	7.4
88	Workbench	862,985	(5.1)
89	Nation's Business	860,120	0.2
90	Essence	850,607	(0.1)
91	Omni	838,420	(9.4)
92	Elle	836,556	1.2
93	American Legion Auxiliary News	828,027	12.5
94	Food & Wine	818,165	(0.7)
95	Weekly World News	816,676	(3.8)
96	American Health	806,172	(19.4)
97	Victoria	805,963	1.5
98	National Examiner	805,307	(9.9)
99	Endless Vacation	798,531	10.3
100	Homeowner	795,012	0.5
101	Fortune (worldwide)	793,060	1.5
102	Vanity Fair	789,820	6.5
103	PC Magazine	786,041	6.2
104	Tennis	772,190	28.1
105	Vista USA	771,112	(4.8)
106	True Story	770,103	(33.1)
107	Mature Outlook	759,369	2.2
108	Practical Homeowner	750,068	(1.3)
109	Harper's Bazaar	749,006	1.8
110	Forbes	744,191	0.1
111	VFW Auxiliary Magazine	739,614	0.7
112	Conde Nast Traveler	727,135	(1.9)
113	Road & Track	721,568	1.9
114	Esquire	720,149	(1.8)
115	Traveler	707,110	(4.4)
116	The Sporting News	694,434	(2.3)
117	Metropolitan Home	675,571	(4.7)
118	Decorating Remodeling	666,286	32.1
119	Working Mother	666,272	23.8
120	Shape Magazine	661,521	0.0
121	Inside Sports	656,971	9.5
122	Scientific American	641,418	(2.7)
123	Inc.	640,776	1.7
124	GQ	637,953	(6.8)
125	Architectural Digest	631,718	0.4
126	Midwest Living	624,959	8.8
127	HG	624,239	2.0
128	The New Yorker	613,747	(1.4)
129	Colonial Homes	612,379	4.6
130	Muscle & Fitness	605,957	2.4
131	PC/Computing	598,229	26.8
132	Catholic Digest	589,269	(1.7)
133	Guns & Ammo	584,316	(3.7)
134	New Choices	580,392	(1.8)
135	Travel Holiday	579,134	(14.0)
136	Flower & Garden	573,285	(3.9)
137	Parenting Magazine**	555,180	13.5
138	Sassy	544,164	20.8
139	Stereo Review	540,605	(0.9)
140	The Saturday Evening Post	540,321	(9.2)
141	The Rotarian	532,032	0.6
142	In Health	530,657	32.8
143	Sports Afield	522,308	(0.9)
144	Natural History	520,669	0.8
145	World Tennis	512,373	(3.9)
146	Financial World	504,020	14.0
147	Savvy Woman	497,001	8.8
148	Country Music	482,688	6.1
149	Sierra	479,125	17.3
150	Automobile Magazine	477,933	19.0
151	Insight	473,292	2.7
152	The Atlantic	471,977	1.8
153	Premiere	470,915	6.9
154	Golf Illustrated	470,027	4.2
155	Audubon	468,529	7.3
156	Pillsbury Classic Cookbooks	466,637	(2.2)
157	Ski Magazine	454,957	(2.1)
158	Lear's	453,557	0.2
159	3-2-1 Contact	453,176	5.1
160	Town & Country	453,174	6.1
161	Video	450,285	(0.5)
162	Runner's World	447,600	4.6
163	The Walking Magazine	446,876	6.2
164	Skiing Magazine	443,003	(0.9)
165	McCall's Needlework & Crafts	440,281	(23.2)
166	New York Magazine	436,110	0.7
167	Car Craft	426,610	(4.5)
168	WWF Magazine	412,003	20.5
169	Sun	400,147	(7.6)
170	Video Review	398,649	(9.7)
171	European Travel & Life	385,587	7.1
172	Capper's	377,345	(1.3)
173	Crafts	376,615	1.6
174	Bicycling	375,490	11.2
175	Grit	371,424	(14.6)
176	California Magazine	357,819	(4.3)
177	Compute!	355,233	67.7
178	Kentucky Living	351,914	1.7
179	Petersen's Hunting	350,667	7.2
180	Home Office Computing	350,056	(6.8)
181	Petersen's 4 Wheel & Off-Road	342,545	0.3
182	Four Wheeler	339,262	0.6
183	Carolina Country	335,574	1.7
184	Computer Shopper	333,223	14.3
185	Cycle	330,788	0.0
186	Connoisseur	329,008	0.6
187	Flying	327,890	1.9
188	Kiplinger Magazine	327,854	8.2
189	Tennessee Magazine	327,769	1.8
190	Backpacker Magazine	326,207	4.1
191	Outside	325,170	7.8
192	The In-Fisherman	325,151	6.7
193	Bride's	323,818	(10.3)
194	Butterick Home Catalog	314,374	11.2
195	Longevity	313,720	63.2
196	Learning '90	313,549	0.9
197	Macuser	311,253	2.1
198	Air & Space/Smithsonian	310,195	(0.4)
199	Texas Monthly	305,742	0.9
200	Crafts 'N Things	303,885	(16.3)

*Sesame Street Magazine reported 50,957 additional in unpaid circulation. **Parenting Magazine reported 50,858 additional in unpaid circulation. Source: Audit Bureau of Circulations

NOTE

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LAST MINUTE NEWS

Reebok trouble for HHCC?

STOUGHTON, Mass.—Reebok International's relationship with Hill, Holliday, Connors, Cosmopulos is showing signs of strain. Hill Holliday President Jack Connors last week denied rumors the agency will resign the account as of March 1, but said he's not overly optimistic about the account. "I'm not sure we feel we'll be with Reebok as long as we'll be with Infiniti or some other clients. It's a volatile piece of business," Mr. Connors said. He said Reebok hasn't indicated it plans a review for the main assignment or to fire the agency. Reebok executives were traveling and couldn't be reached for comment at press time. Separately, Reebok France, Paris, last week named HDM France to succeed Ecom on its $11 million French account.

Pepsi gets flavorful

SOMERS, N.Y.—Pepsi-Cola Co. last week began a test in Tulsa, Okla., of flagship Pepsi-Cola with natural fruit flavors: Raging Razzberry, Strawberry Burst and Tropical Chill. The test is a limited-edition promotion, said Gary Gerdemann, Pepsi public relations manager, and even if it's successful it won't necessarily become a permanent addition. Called "The Wild Bunch," the trio is sold in cans with special graphics reflecting flavor variations. TV spots break today. Print, outdoor and point-of-purchase support. BBDO Worldwide, New York, handles.

Zale taps 2 shops

IRVING, Texas—Zale Corp. consolidated its estimated $35 million account with Bozell here and the Richards Group, Dallas. Bozell was named agency of record for business including the Bailey Banks & Biddle group, Gordon's Jewelers and a variety of shops operating under other names including Linz. Richards picked up the Zales Jewelers account. Zale wouldn't discuss previous agency relationships; however, most work was handled on a project basis by a variety of agencies, primarily Bozell and Saffer Advertising, Toronto. Estimates ranged from an even split to $26 million for Bozell and $9 million for Richards.

'Time' publisher quits

NEW YORK—Louis A. "Chip" Weil III, 49, resigned as U.S. publisher of

(Continued on Page 8)

INSIDE

BusinessTrack looks at how on-site childcare comes out of dark ages.

Starts on Page 24.

BK brakes the 'rules'

By Scott Hume

Burger King franchisees are finally having it their way.

The No. 2 burger chain in April will drop its 18-month-old ad theme, "Sometimes you've gotta break the rules," a positioning statement the chain admits confused customers and angered franchisees.

In its place, Burger King Corp. will likely adopt the theme, "Your way. Right away," a variation on the "Have it your way" theme used during the 1970s.

The new theme is now being presented to franchisees in a series of regional meetings that Burger King marketing executives are holding with operators across the country.

An updated version of the "Have it your way" jingle, originally developed by BBDO Worldwide, New York, was played for franchisees, but no commitment was made to using the tune with the new campaign, expected to start April 15.

"There was cheering when they said 'Break the rules' was dead," one franchisee said. "They admitted it was never clearly defined for consumers and was divisive in the system. But that's been true for a long time."

G. Langstaff

Exec VP-Marketing Gary Langstaff, who's defended the "Break the rules" theme despite franchisee protest since it began in October 1989, was absent from the regional marketing meetings.

Mr. Langstaff is "in the Far East on Burger King business," said Cori Zywotow, the chain's director of media relations, who said she wouldn't comment on some franchisee speculation about his absence.

Also, Ms. Zywotow said, "There has been no sign-off on a new theme. There's nothing set in concrete yet; it's all still being worked on."

In a move analysts say is symptomatic of a trend gripping the fast-food industry, Burger King's 1991 marketing strategy will concentrate more on price and value, rather than premium tie-ins with licensed properties. Tie-ins with "Teenage Mutant Ninja Turtles," "Beetlejuice" and "The Simpsons" were the foundation of its 1990 marketing plan.

Along with the new theme, the new strategy will return the emphasis to elements Burger King used to define itself during the '60s and '70s: flame-broil cooking of its

(Continued on Page 50)

Diamandis makes his bid

Investors want Donnelley

By Scott Donaton and Alison Fahey

Magazine mogul Peter Diamandis is part of a small investor group that's close to buying Donnelley Marketing from Dun & Bradstreet Corp. for an estimated $225 million.

Donnelley, on the block since last May, is the nation's largest distributor of cents-off coupons through its profitable Carol Wright division and a major provider of mailing lists through its Donnelley Direct unit. Carol Wright Sales, which markets merchandise through direct mail, is also included in the sale, say sources familiar with the deal.

Mr. Diamandis' interest might lie in Donnelley's crown jewel, a data base of some 85 million U.S. households considered to be the most sophisticated of its kind.

Mr. Diamandis last week acknowledged he's part of a group negotiating to acquire a direct marketing company he declined to identify. A deal could be finalized as early as today, he said.

Dun & Bradstreet declined comment.

"The reason we're interested is it's a data base-oriented company that has all the ability to target market, which is the buzzword today," Mr. Diamandis said.

Industry observers say the demographic and lifestyle

(Continued on Page 52)

What Peter Diamandis wants

- **Carol Wright**
  Mails cooperative direct mail envelopes containing cents-off coupons and other promotional material.
- **Carol Wright Sales**
  Markets popularly priced consumer merchandise via direct mail.
- **Donnelley Direct**
  Provides consumer mailings lists from a huge data base of U.S. households.

Doug Goodman

TV networks pump up Olympics

By Wayne Walley

NEW YORK—CBS and NBC are planning Olympic-size advertising and promotional campaigns to turn the 1992 Games into the most heavily promoted network events in history.

Both networks will offer advertisers a wide array of Olympics marketing opportunities, including sweepstakes promotions, direct marketing campaigns, mall tours and cross-media ad packages.

Network executives say they're negotiating with Olympics sponsors to create giant retail-driven co-promotions similar to last fall's "Get Ready Giveaway" sweepstakes between CBS and Kmart Corp. and "McMillions on NBC" between that network and McDonald's Corp.

The deals will eclipse those premiere week extravaganzas in scope, sources say.

CBS will telecast the '92 Winter Olympics in Albertville, France, while NBC will carry the Summer Games in Barcelona.

"Almost all Olympics buys are tied to marketing programs or cross-promotions for 1992."

"In 1988, we assumed the Olympics sold themselves—and they do to some degree," said John Miller, NBC's exec VP-marketing. "But you have to help it along, and what will fuel it is major tie-ins with several advertisers. Before, Olympics advertisers got pins, trips and spots in the telecast; now almost all Olympics buys are tied to marketing programs or cross-promotions for 1992."

A "giant retail-driven promotion" for the Winter Olympics is "just a matter of conversations," said George Schweitzer, senior VP-communications, CBS/Broadcast Group.

He declined to identify target advertisers, though Kmart would be the prime candidate, considering the relationship between the retailer and the network. The "Get Ready Giveaway" also ran in 1989.

Kmart is talking with CBS about an ex-

(Continued on Page 50)

NEWS SUMMARY

■ **Burger King** in April will drop its "Break the rules" ad theme, reportedly for "Your way. Right away," a variation on its 1970s theme, "Have it your way." 1

■ **The 1992 Olympics** will be the most heavily promoted network TV events in history, judging by plans of CBS (Winter Games) and NBC (Summer Games). 1

■ **Donnelley Marketing** may be sold soon to an investor group that includes magazine mogul Peter Diamandis. 1

■ **Grocery product marketers** are scaling back on new products and market-share battles to focus on profits. 3

■ **Frito-Lay** targets young consumers in a new campaign for corn chips that revives its "Muncha buncha Fritos" theme. 3

■ **Nike,** the leading athletic shoe marketer, is facing increasingly nasty advertising from its rivals. 3

■ **Ad agencies** are using sophisticated research and other methods to help clients cope with the recession. 3

■ **Chrysler Corp.** is ready to restore ad budget cuts if the economy improves, said Theodor Cunningham, its new top marketing executive. 4

■ **Anheuser-Busch** plans to test Michelob Golden Draft as a counter to fast-growing Miller Genuine Draft. 4

■ **Procter & Gamble** has set two major promotions for Crest toothpaste this summer. 10

■ **Dial Corp.,** after a four-year hiatus, will back Purex detergent with an ad campaign. 10

■ **Warner-Lambert** plans heavy promotion, including rebates, for its new Schick Tracer shaving system. 12

■ **Crush orange soda** will get is first TV campaign since Cadbury Beverages acquired it two years ago. 16

■ **European buying patterns** have shown dramatic changes in the past 21 years, according to a study commissioned by *Reader's Digest.* 17

■ **Coca-Cola** will stress product quality in new international ads; Pepsi-Cola is boosting its ad budget in Germany. 32

■ **Magazine ad pages** for January were down 3% from a year ago, according to PIB. 34

■ **National Advertising Division** handled 10 cases in January, including a disputed ad claim from Texaco. 42

■ **D'Arcy Masius Benton & Bowles** is moving into Eastern Europe, tying in with agencies in Budapest and Warsaw. The agency is also near a joint venture agreement with a Czechoslovakian agency. 46

■ **Holiday Inn and Howard Johnson** break new ad campaigns with increased budgets. 49

■ **Buick** takes on Honda with a commercial spoofing the award-winning Honda Accord "art gallery" spot. 51

■ **Outdoor boards** face more restrictions in proposed legislation from the Bush administration. 53

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MCI spots tease new discount plan

By Kate Fitzgerald

MCI Communications Corp. next month is expected to unveil a new discount plan on long-distance service.

The telecommunications company is airing TV spots promising something new is coming March 18, and industry sources say it's likely to be a discount on frequently called numbers, the first time such a service has been offered to consumers.

Two 30-second teaser spots broke Feb. 17 on network TV. Among the celebrities featured are model Elle MacPherson and TV personalities Regis Philbin and Kathie Lee Gifford.

Two more :30s featuring Zsa Zsa Gabor and New York Giants coach Bill Parcells are being cycled in the pool of teaser spots before a general campaign for the discount starts next month, sources say.

Messner Vetere Berger Carey Schmetterer, New York, handles MCI's $51 million account.

MCI, the No. 2 long-distance telephone marketer, refused to detail the upcoming offer, but competitors in the $55 billion industry are wary of MCI's latest maneuver and say they may retaliate.

"It had better be good to justify all the drum rolls," Burke Stinson, spokesman for long-distance leader AT&T Co., said in reference to the teaser campaign.

Elle MacPherson is one of the celebrities teasing for MCI's still-secret long-distance discount plan.

Mr. Stinson also said AT&T is watching MCI's promotion and plans to counter it if it turns out to be "significant." N W Ayer, Young & Rubic[illegible] and Ogilvy & Mather handle [illegible]T's $200 million-plus account.

No. 3 US Sprint doesn't plan to react to MCI's new campaign but "very possibly" may roll out a new product or service in the near future, said Steve Dykes, public relations spokesman. J. Walter Thompson, San Francisco, handles Sprint's $40 million campaign.

Industry sources say MCI is using the tease tactic to maximize the value of a discount in an era when price is less important in long-distance phone marketing.

"In general, prices on long-distance telephone calls have stabilized, but there will continue to be pockets of discounts out there," Mr. Stinson said. Whether it's detergent or long-distance calling, discounts will still be used to woo new customers over." □

Benetton condom kindness

Giveaways planned for stores in Europe, U.S.

By Michelle McCarter

ROME—Benetton, reinforcing its controversial reputation gained from provocative ads, plans to distribute free condoms in key stores in Europe and the U.S.

In addition, the Treviso, Italy-based clothing marketer is developing a magazine, possibly to be called *The United People of Benetton.*

The company hasn't decided whether the monthly —focusing on the company, its collection and different cultures—will be sold on newsstands or in its stores, or if it will accept outside advertising, said Alessio Fornavetti, ad director.

For the condom program, Benetton is currently choosing key shops to give away free colored condoms. The program will start soon in Europe and [illegible]l eventually reach the U.S., Mr. Fornavetti said.

The condom giveaway will be supported by the new Benetton ad showing different colored condoms. That ad was rejected by weekly Italian magazine *Amica,* published by Rizzoli-Corrierre della Sera, one of Italy's largest publishing groups, but is running in many other international markets.

Benetton said the ad is in line with the company's philosophy not to push a product but to attract attention to its name by addressing social issues.

Benetton's philosophy is not to push a product but to attract attention to its name by addressing social issues.

Another ad in Benetton's $30 million worldwide campaign also has caused a stir.

A Benetton print ad showing a cemetery with tombstones representing various religions is breaking this week in France, Norway, Switzerland and Portugal. It will run in the U.S. this spring. The Italian Advertising Council rejected the ad, which ran in two Italian dailies just before the Persian Gulf War started. The ad appeared to protest the war, the council said.

The council "did not understand that the message was a hymn to peace," said Oliviero Toscani, who creates Benetton's ads. □

Japanese VCRs cut out ads

By David Kilburn

TOKYO—Mitsubishi Electric Corp. has developed a VCR device that can edit out almost all commercials, and the Japanese ad community isn't pleased.

All but the marketer's cheapest VCRs will have the ability to skip spots when TV programs are recorded. Because most commercials in Japan use stereo sound and most TV programs use monaural, a semiconductor device in the VCR can distinguish between the two signals, enabling the spots to be cut.

The device expands the capabilities of the company's Auto Cut VCR, which edits commercials during bilingual programming, to nearly all programming.

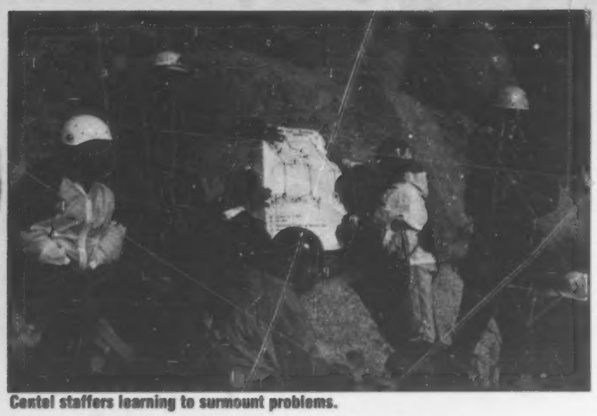
The Auto Cut VCR was introduced last April and sells for $575 to $1,000; pricing for the new models isn't available. It's also not known if Mitsubishi will bring the new product to the U.S.

"Frankly, we don't like [the Mitsubishi VCR]," said Taki Okamoto, director of marketing services at Leo Burnett-Kyodo. "If this catches on, it can affect us negatively because it makes the advertising marketplace less efficient."

TV executives also aren't pleased.

"As a privately managed TV station that relies on its financial resources from commercial broadcasts, we feel it is neither ethical nor desirable to broadcast material that promotes a system . . . that undermines the financial base of our operations and threatens the business of our sponsors," said Eiji Tamaki, spokesman for the sales department of Fuji Television, the top-[illegible]ted Japanese network.

He added, however, that Fuji Television didn't "expect significant commercial ramifications." □



Centel staffers learning to surmount problems.

AMAZING FEET

Accepting the risk as part of the excitement, Centel staffers spiritedly take to wilderness

By Barbara Hetzer

The office troops need a boost. Too much stress and hard work, perhaps. Or, simply, too many hours spent sitting in a stuffy office building.

In recent years, executives have broken those mind-numbing, 9-to-5 routines by spending time with employees, or clients, in the great outdoors.

But some corporations may reconsider such outings since a U.S. District Court jury in November ordered DDB Needham Worldwide to pay $1.1 million to the family of drowning victim James Fasules. He and four others drowned in 1987 while on an agency-sponsored rafting trip on the Chilko River.

"I haven't heard any change of plans yet," says Felix Kent, an attorney with Hall, Dickler, Lawler, Kent & Friedman, which counts several advertising agencies as clients. "But companies . . . had better carefully select the supervisors of such projects. Otherwise, they could be subsequently accused of negligence."

Centel CEO Jack Frazee hasn't let such worries stop him.

In 1988, he, along, with eight of his top management staff, first experienced Outward Bound, a wilderness adventure that he believes sharpens problem-solving, teamwork and leadership skills.

"I had never done it before," says the 46-year-old head of the telecommunications giant, "but the idea intrigued me."

At the time, Mr. Frazee was familiar with the Chilko case.

"I asked how safe the program was," he says, "and the folks at Outward Bound used that case as an example of things that could happen."

Mr. Frazee was not deterred.

"We assume a business risk every day," he says. "Besides, the risk involved is one of the trip's exciting elements."

Centel participants spend four rigorous days trekking through a desert, hiking up a mountain or navigating a river.

Their philosophy: A few days spent in an unfamiliar environment binds colleagues together and forces them to re-evaluate the way they accomplish assignments.

Although Mr. Frazee, a college all-around athlete, regularly rides horses and plays golf, he found the experience taxing.

"I spent the first several hours walking around with a 75-pound knapsack on my back, trying to figure out how I could get out of it," he says. "And I suspect I wasn't the only one feeling that way."

But Mr. Frazee thrived on the adventure after he learned a valuable lesson.

"Executives are very good at planning and organizing others, but we don't listen very well," he confesses. "The guides told us how to hike and carry our packs, which essentially made the whole thing very easy. But initially I didn't listen, because I thought I knew everything."

Since that first outing, Mr. Frazee has held a series of drawings whereby Centel employees win an Outward Bound trip. The response has been overwhelming: 75% of the company's employees have entered the contests.

One employee, Dianne Ursick, general regulator and planning manager for one of Centel's telephone companies, was in the midst of a divorce when she went on an Outward Bound rafting trip in 1989.

"As I learned to work through my fears and reach each new goal, that trip really helped me regain my self-confidence."

Raised on an Iowa farm, Ms. Ursick is at home in the great outdoors. Not so with every Outward Bounder.

"I had never previously camped out or done anything like that. Never even slept in a tent in the backyard overnight," says Kevin Gallagher, VP-legal, Centel Cellular Co. "With that kind of lack of experience, to go out and spend the night sleeping on the ground alone in a place called Rattlesnake Canyon is really sort of remarkable. Sometimes I can't believe I did it."

This year, Mr. Frazee expects more of Centel's individual business units to schedule Outward Bound trips.

So far, nothing has occurred to change Mr. Frazee's mind about the value of the trips.

"Just some scraped knees and skinned hands," he explains. □

TOO LITTLE TIME

John Pirman

WORKING MOMS, HARD CHOICES

Working moms have it harder; how the first of three balances motherhood while climbing the career ladder

By Barbara Hetzer

If today's working woman wants to have a baby, she still faces harsh choices: Either drop out, slow down or do it all.

For many women—especially those just breaking into middle- or upper-management posts—the stakes are high, the fears great.

Some women say their maternity gives male counterparts the "edge." Men can still work around the clock if needed.

Others say motherhood is the surest way to derail a fast-track career: Pregnancy is often read as a lack of commitment.

And still others dread the balancing act of nurturing the baby one minute and supervising a staff of 15 the next, fearing they'll do neither very well.

Many employers are responding—albeit slowly—with innovations, such as part-time tracks, job sharing and daycare centers meant to ease the burden, but most women must still devise their own strategy.

In this, the first in a series of three articles, *Advertising Age* examines the options today's working mothers face.

* * * *

"It's impossible to totally balance the two," says Shelley Diamond, a 37-year-old senior VP-management supervisor at Young & Rubicam, New York.

"Juggling kids and a career is like putting out fires. You focus on what demands your attention at any particular moment."

That's tough talk. But Ms. Diamond, a mother of three kids under age 6, still wants it all—no matter what the price.

"My mother was a housewife and hated it," she explains, "so she instilled in me this incredible sense of independence and ambition."

Like her mother, Ms. Diamond believes she wouldn't be satisfied as a stay-at-home mom. "I'd be terrible. I'd be so impatient with my children," she says. "I'd put them to bed at 6 o'clock every night just to get some peace."

Instead, Ms. Diamond works full time supervising the corporate and international portions of the Xerox Corp. account at Y&R; the workday parenting is left to a babysitter.

"Do I feel guilty? Of course," she says. "Especially when something goes wrong. Then I immediately blame my job."

Case in point: Last December, when Ms. Diamond was away on business, her 5-year-old daughter, Brooke, had a terrible time at kindergarten. The child's teacher reprimanded Ms. Diamond at the next open school day.

"She said, 'The problem is that Brooke misses her mommy. You need to spend a little more time with her,' " recalls Ms. Diamond.

"And I thought, 'Why don't you just stab me in the heart?' "

For the next several days, Ms. Diamond made every effort to spend more time with her daughter. One afternoon, she even took Brooke to work with her.

"We went down to the art director's office and got a big pad and a huge box of markers," she says. "Brooke absolutely loved it because she saw where mommy works and felt a little bit more involved in my life."

But such special attention is sporadic. Ms. Diamond, who moved to Y&R earlier this month after a brief stint at Kobs & Draft, just doesn't have the time for it. Before her move, she would arrive at her Manhattan apartment most evenings by 6 p.m. and spend about three hours each night trying to juggle three kids and their different interests.

Brooke wanted to play Nintendo; 2½-year-old Samantha wanted to color; and 10-month-old Lukas just wanted to be held. After they were in bed, Ms. Diamond often did an hour or two of take-home work.

After Lukas was born in April, she returned to work full time last September after a five-month maternity leave.

Unfortunately, her job no longer existed. During her absence, Xerox—her account at Backer Spielvogel Bates—switched to Y&R.

"I told [Backer] I was coming back," she says, "so when we lost Xerox, the agency president called and said, 'Don't worry.' " She didn't.

A few weeks later she accepted the job at Kobs & Draft, a post that took her out of traditional advertising. Ms. Diamond was there a mere four months when Y&R came calling, at the behest of her former client, Xerox.

Ms. Diamond had tried to convince herself moving into direct marketing was a smart maneuver.

"I missed TV and radio and those spectacular print units," she says. So she snatched up Y&R's offer, even though it means longer hours, more frequent business trips and less time with the kids. "I just couldn't resist it," she says.

Doug Goodman

Shelley Diamond and her babysitter, Roslyn Sandy, have their hands full with (from left) Brooke, Lukas and Samantha.

As career-driven as she appears, Ms. Diamond is not without her doubts. "Part-time work would be the answer to every working mother's prayers," she says, "but U.S. corporations are way behind the times in that regard."

At Backer, Ms. Diamond says it was known she would have preferred to work fewer days or at home some of the time, but she never pushed it.

"I can't imagine that it would ever have happened, especially in today's market," she says. "You know there are 10 people out there who will take your job if you can't handle it."

Ms. Diamond definitely doesn't want to sacrifice either her career satisfaction or her lifestyle.

"I like my job and the money that two salaries yield. You put so much into your career for so many years that it's hard to just slow down or drop out for a while when you have a child. You fear you'll never get back in," she says.

The choice to work wasn't always so clear-cut.

In 1985, after she returned from her first maternity leave to her job as VP-account supervisor at Ted Bates Advertising, Ms. Diamond didn't know what to do.

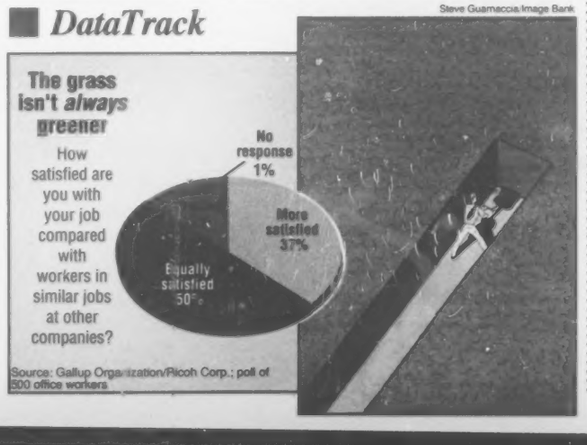
"Here was this tiny baby, the most miraculous thing that had ever happened, and I had to leave her every morning," she says. "At work, I just longed to be with her."

Over the next several weeks, Ms. Diamond says, "I simply got used to it." □

Barbara Hetzer is a Long Island, N.Y.-based free-lance writer.

DataTrack

Steve Guarnaccia/Image Bank


The grass isn't always greener
How satisfied are you with your job compared with workers in similar jobs at other companies?
No response 1%
More satisfied 37%
Equally satisfied 50%
Source: Gallup Organization/Ricoh Corp.; poll of 500 office workers

MEDIAWORKS

JANUARY AD RESULTS

No January thaw

Most magazines still frozen in ad page declines

By Scott Donaton

Magazine publishers started the new year with a whimper.

Ad pages continued their downward spiral in January, with titles tracked by Publishers Information Bureau carrying 9,541.3 ad pages, down 3% from January 1990.

The weak performance comes on the heels of a soft 1990, when magazine ad pages dropped 3.7%.

Automotive ad pages rose 1.6% to 1,327.5 in January. But cigarette/tobacco advertising continued to fall: The category totaled 307.6 ad pages for the month, down 24.4%.

Overall, ad pages for the top 10 categories were virtually flat, down 0.7% to 6,585.1.

The Time Warner weeklies, among the hardest hit by last year's downturn, bucked the trend last month. *People* carried 187.9 ad pages, up 34.2%; *Time* was up 3.9% with 165 pages; and *Sports Illustrated* saw pages rise 7.7% to 129.9.

Other weeklies didn't fare as well. *TV Guide* led all PIB-tracked magazines, but its ad pages were down 10.1% to 227.6. *Business Week*, 1990's ad page leader, carried 163.9 pages in January, an 8.4% decline. *The Economist's* ad pages fell 26% to 129.5, *New York Magazine's* 124.1 ad pages were down 16% and *The New Yorker's* 89.7 ad pages were off 34.5%.

Among newsweeklies, *Newsweek* carried 100.4 ad pages, down 6.8%, and *U.S. News & World Report* was down 3.7% with 83.2 pages.

Forbes led the top three business books with 223.5 ad pages, a 9.5% decline. *Fortune's* ad pages dipped a whopping 35% to 95.7 for the month.

Women's service magazines posted surprisingly disparate results for January. *Ladies' Home Journal* led the Seven Sisters with 96.3 ad pages, up 15.7%. *Good Housekeeping* showed a 24% gain with 94.2 pages. *McCall's*—overhauled last year—finished third for the month with 72.6 ad pages, up 29.8%.

Travel advertising—a mainstay of most upscale titles—was scaled back as war fears grew and the recession deepened.

For the other sisters, the picture was bleaker. *Family Circle* was down 5.4% with 58.5 ad pages. *Woman's Day* carried 57.4 pages, down 23.3%; industry observers say the magazine is still being punished for Hachette's failed attempt to sell it last year. *Better Homes & Garden*, with 56 ad pages, was off 13.3%. *Redbook* was nearly flat with 55.4 pages, a 0.6% decline.

Upscale monthlies, among the last to feel the effects of last year's downturn, were battered in January. Travel advertising—a mainstay of most upscale titles—was scaled back as war fears grew and the recession deepened.

Architectural Digest carried 82.5 ad pages, a 29.4% drop. *Smithsonian* was down 15.5% to 67.3 pages. *Town & Country's* 44.2 ad pages represented a 50.9% loss.

In the travel field, *Travel & Leisure* carried 67.1 ad pages, down 22.5%. *Conde Nast Traveler* was down 14.9% with 48.7 pages.

Playboy led the general-interest men's field in January with 74.7 ad pages, up 28.6%. *Penthouse* carried 71.8 pages, up 26.3%. *GQ's* pages dipped 9.1% to 61.8, and *Esquire's* pages fell 28.8% to 44.8.

The automotive field was one of the month's bright spots. *Car & Driver* carried 96.8 ad pages, a 2.4% decline. *Road & Track's* 85 ad pages were up 37.1%. *Motor Trend* saw ad pages rise 23.9% to 66.6. And *Automobile's* pages climbed 23.2% to 56.3.

Among the highlights for January were increases in scattered fields: *Ski* (138.7 ad pages, up 19%); *Popular Photography* (110.9 pages, up 10.3%); *Skiing* (102 pages, up 27.9%); *Gourmet* (87.5 pages, up 38%); *Parents* (77 pages, up 20.4%); *Omni* (55.8 pages, up 29.2%); *The Atlantic* (50.3 pages, up 20.6%); and *Practical Homeowner* (44.4 pages, up 48.8%). □

Advertising opportunities in print.

Bon Appetit, New York, "The best of Paris" special advertising section, May issue; ad close: March 1. B&w page: $25,850; color page: $36,860.

Penthouse, New York, "Men's summer fashion" special editorial section, June issue; ad close: March 1. B&w page: $24,865; color page: $27,880.

Prevention, Emmaus, Pa., "Family first aid guide" special editorial section, May issue; ad close: March 1. B&w page: $31,955; color page: $41,865.

Recommend, Miami, "Cancun revisited" special advertising supplement, April issue; ad close: March 1. B&w page: $4,415; color page: $5,735.

Victoria, New York, "Beauty indulgences" special ad section, June issue; ad close: March 1. Color one-sixth-page: $2,500.

The Village Voice, New York, "Rock 'n' roll quarterly" special editorial supplement, March 19 issue; ad close: March 1. B&w page: $6,930; color page: $7,870.

W Magazine, New York, "The people who make L.A." special advertising section, April issue; ad close: March 1. B&w page: $18,300; color page: $23,000.

Yankee, Boston, "Summer arts guide" special advertising section, May issue; ad close: March 1. Color page: $16,000.

Men's Fitness, New York, "What women like" special editorial section, June issue; ad close: March 5. Color page: $8,005.

Shape, New York, "Women and fear" special editorial section, June issue; ad close: March 5. Color page: $17,710.

Success, New York, "Everybody sells" special advertising section, May issue; ad close: March 5. B&w page: $19,606; color page: $26,715.

USA Today, New York, "Families of the '90s" special advertising section, March 13 issue; ad close: March 7 (color), March 11 (b&w). B&w page: $66,131; color page: $85,971.

Parade, New York, "Foods you never dreamed you could make" special editorial section, April 21 issue; ad close: March 8. Color page: $339,600.

Consumers Digest, Chicago, "Trucks, vans and utility vehicle buying guide" special editorial section, May/June issue; ad close: March 9. B&w page: $14,340; color page: $21,500.

The Advocate, Los Angeles, "The swimsuit issue" special editorial section, April 23 issue; ad close: March 13. Color page: $2,807.

Spur, Middleburg, Va., "Virginia Gold Cup" special section, May/June issue; ad close: March 14. Color page: $7,000.

Art & Antiques, New York, "Restoration, renovation and design services" special advertising section, April issue; ad close: March 15. B&w ¼-page: $1,950.

Country Inns Bed & Breakfast, South Orange, N.J., "Wedding gift guide" special advertising section, May/June issue; ad close: March 15. Color ¼-page: $1,600.

House Beautiful's Houses & Plans, New York, "Guide to building systems" special summer issue, May issue; ad close: March 15. Color page: $13,900.

Parent, New York, "Fatherhood" special editorial section, June issue; ad close: March 15. B&w page: $38,800; color page: $49,675.

Spotlight, Mamaroneck, N.Y., "Real estate/landscaping guide" special advertising section, April 15 issue; ad close: March 15. B&w page: $5,500; color page: $6,500. □

Wayne Walley coordinates MediaWorks.

Magazine ad page leaders

Publishers Information Bureau figures for January 1991.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	TV Guide	227.56	(10.1)	27,096,899	(1.4)
2	Forbes	223.54	(9.5)	10,091,404	(5.6)
3	Entrepreneur	216.44	(2.0)	2,256,141	12.9
4	People	187.91	34.2	19,318,765	45.4
5	Time	164.97	3.9	22,945,704	3.1
6	Business Week	163.92	(8.4)	9,953,012	(5.7)
7	Golf World	153.73	(6.2)	1,306,090	9.8
8	Golf Magazine	152.72	(17.1)	4,731,380	5.7
9	Yachting	143.30	(25.2)	879,560	(17.1)
10	Ski	138.69	19.0	2,580,849	3.9
11	Sports Illustrated	129.88	7.7	15,975,043	13.8
12	The Economist	129.45	(26.0)	1,078,608	(23.4)
13	New York Magazine	124.06	(16.0)	2,039,483	(4.3)
14	Salt Water Sportsman	117.41	(29.1)	698,571	(24.6)
15	American Way	114.87	3.9	1,717,565	14.7
16	Muscle & Fitness	114.33	15.7	2,080,787	23.3
17	Popular Photography	110.90	10.3	2,642,401	5.3
18	Skin Diver	104.91	21.8	1,035,145	28.7
19	Skiing	101.95	27.9	2,084,633	12.3
20	Texas Monthly	101.69	(0.5)	971,739	0.5
21	Cosmopolitan	100.61	(14.2)	6,598,266	(3.8)
22	Newsweek	100.38	(6.8)	11,279,182	(6.2)
23	Car & Driver	96.76	(2.4)	4,050,190	9.2
24	Ladies' Home Journal	96.25	15.7	6,877,840	18.0
25	Compute	95.76	—	853,836	—
26	Fortune	95.68	(35.0)	5,338,172	(26.5)
27	Good Housekeeping	94.21	24.0	10,273,392	30.6
28	Vogue	91.85	(9.8)	4,330,376	5.0
29	The New Yorker	89.71	(34.5)	2,612,321	(28.8)
30	Gourmet	87.47	38.0	2,616,597	67.7
31	Golf Digest	87.45	(15.2)	4,617,367	13.4
32	Road & Track	85.02	37.1	2,345,220	41.2
33	U.S. News & World Report	83.24	(3.7)	6,983,410	1.4
34	Architectural Digest	82.49	(29.4)	2,155,731	(28.3)
35	Money	81.92	(3.6)	5,543,163	4.0
36	Rolling Stone	79.81	(0.1)	3,218,513	11.7
37	Ebony	78.33	(6.8)	2,844,778	(3.3)
38	Parents	76.97	20.4	3,211,258	28.0
39	Inc.	76.09	(0.5)	3,343,628	9.0
40	Success	75.31	--	914,993	—
41	Playboy	74.72	28.6	4,808,384	20.7
42	McCall's	72.56	29.8	5,556,052	38.4
43	Penthouse	71.83	26.3	2,763,256	17.9
44	Jet	71.50	(5.9)	1,270,182	0.8
45	Bassmaster	69.43	15.1	1,437,237	20.4
46	Sunset	69.23	(8.8)	2,109,318	(7.0)
47	Southern Living	68.81	(24.0)	3,561,555	(26.1)
48	Glamour	68.33	5.9	4,138,889	14.3
49	Smithsonian	67.30	(15.5)	2,835,150	(8.0)
50	Travel & Leisure	67.13	(22.5)	2,712,751	(17.8)
51	Motor Trend	66.58	23.9	2,350,352	31.0
52	Four Wheeler	65.73	0.3	572,205	20.9
53	Working Woman	64.81	(26.0)	2,117,313	(9.6)
54	Sports Afield	64.17	7.0	1,202,292	18.8
55	GQ	61.83	(9.1)	1,735,719	5.8
56	Delta Sky	61.57	(2.2)	1,699,100	1.5
57	Elle	59.83	(7.0)	2,250,794	18.8
58	Family Circle	58.46	(5.4)	5,318,216	(0.4)
59	Bon Appetit	57.61	(0.5)	1,809,277	3.4
60	Woman's Day	57.35	(23.3)	3,937,423	(31.9)
61	San Francisco Focus	57.03	(10.3)	384,246	(5.2)
62	Cooking Light	56.98	1.9	1,036,807	24.0
63	Automobile Magazine	56.30	23.2	1,398,390	61.2
64	Better Homes & Gardens	55.99	(13.3)	6,440,255	(19.9)
65	Spectrum	55.94	(20.4)	424,690	(27.3)
66	Omni	55.81	29.2	1,484,324	7.5
67	Redbook	55.41	(0.6)	4,041,411	5.3
68	Life	54.16	(6.5)	5,128,269	(2.7)
69	Reader's Digest	53.78	(9.0)	5,121,997	(7.0)
70	European Travel & Life	53.25	—	1,234,863	—
71	Country Living	52.36	(0.2)	2,408,801	16.9
72	W	50.84	(26.6)	1,263,639	(21.1)
73	Yankee	50.84	(18.6)	653,061	(14.3)
74	Atlantic	50.29	20.6	907,987	36.1
75	Mirabella	49.90	(23.2)	906,935	30.5
76	Conde Nast Traveler	48.67	(14.9)	1,497,288	(3.9)
77	Changing Times	47.77	0.1	1,391,430	8.1
78	Premiere	47.48	(19.9)	974,544	(5.6)
79	Popular Science	45.25	8.1	1,414,178	22.4
80	Golf Illustrated	45.12	—	712,325	—
81	Working Mother	45.04	1.3	1,101,645	17.8
82	Organic Gardening	44.96	11.6	791,970	9.7
83	Outdoor Life	44.96	(10.5)	1,550,221	(0.5)
84	Esquire	44.77	(28.8)	1,530,087	(23.6)
85	Practical Homeowner	44.41	48.8	698,659	48.1
86	Town & Country	44.17	(50.9)	1,212,893	(40.8)
87	Popular Mechanics	43.99	0.6	1,657,852	10.5
88	New Woman	43.62	(17.6)	1,260,374	(4.0)
89	Savvy Woman	43.48	44.3	738,649	46.9
90	Field & Stream	43.30	(11.4)	1,975,982	(0.9)
91	Harper's Bazaar	43.01	(20.8)	1,244,968	(18.8)
92	Hot Rod	42.95	(1.8)	1,086,318	11.7
93	Harvard Business Review	42.89	(7.5)	655,725	2.1
94	Entrepreneurial Woman	42.22	—	262,458	—
95	American Photo	41.97	3.4	738,041	15.9
96	Shape Magazine	41.84	(1.8)	731,793	(10.1)
97	Mademoiselle	41.75	(23.7)	1,801,428	(5.2)
98	Entertainment Weekly	41.67	—	879,646	—
99	Essence	40.92	(22.8)	1,098,211	(16.5)
100	Home Office Computing	40.68	(35.6)	569,915	(40.0)

Percent change compares January in 1991 with 1990. Source: Publishers Information Bureau

Rodale rolls Russian title

Editorial and business-side developments in print media.

A magazine grows in Moscow. The first issue of *Novii Fermer*, a Russian-language agricultural magazine, rolled off the presses in the Soviet Union this month, five months after the death of Rodale Press Chairman Robert Rodale, who championed the project. The every-other-monthly is a joint venture between Emmaus, Pa.-based Rodale and Vneshtorgizdat, the publishing arm of the Soviet Ministry of Foreign Trade. Mr. Rodale was killed last September in a car crash in the Soviet Union while completing arrangements for the magazine's launch. *Novii Fermer's* initial circulation is 50,000. Publisher is Rodale VP Chuck McCullagh. Rodale is also developing a Russian-language edition of *Prevention*.

The late Robert Rodale backed the effort.

Planting a 200-year-old seed. *The Old Farmer's Almanac*—traditionally relying on mail order advertisers—will use its 200th anniversary next year to pitch more national advertising. The annual book of weather forecasts, astronomy charts and recipes is North America's oldest continuously published periodical, says puolisher Yankee Publishing, Dublin, N.H. The *Almanac* is offering advertisers in its 1992 edition category exclusivity and inclusion in a "multimillion-dollar" marketing campaign. Color page rate is $88,500. General Mills' Total cereal has bought the book's back cover. Yankee will increase the *Almanac's* pressrun by 58% to 6.3 million from 4 million copies for the bicentennial edition, available in September.

Repotting an old bloom. *Garden Design* will be repositioned, redesigned and relaunched in March as an upscale exterior design magazine. The American Society of Landscape Architects sold the 9-year-old title last summer to Evergreen Publishing, Westport, Conn. The magazine had been undercapitalized and underpromoted, said Publisher Arthur Loomis. Frequency was increased to every-other-monthly from quarterly in January; the rate base will grow 117% to 65,000 from 30,000 with the March/April issue. Mr. Loomis said that issue will carry a record 54 ad pages, about half from marketers of upscale consumer products and services.

Mature media. More than 300 media outlets including national and regional magazines, newspapers, mailing lists, and radio and TV programs targeting consumers 50 and older are listed in "Senior Media Guide. 1991," published by CD Publications, 8204 Fenton St., Silver Spring, Md. 20910. □

New options and developments in alternative media.

Shop by numbers. Three Southern supermarket chains—Shop-Rite Supermarkets, Publix Supermarkets and Homeland—have agreed to feature Shoppers Calculator.

The solar-powered calculator is attached to a shopping cart handle, with space next to the calculator keypad for retailer and advertiser ads.

ADDvantage Media Group, Tulsa, Okla., markets Shoppers Calculator. Category-exclusive ad packages are based on a four-week cycle and are sold on a chain-by-chain basis or in select markets. Average costs per store per cycle range from $30 to $50, an estimated cost per thousand of 65¢ to 85¢. Participating advertisers include Bama Pies, Coca-Cola Co., Dr Pepper Co. and Pepsi-Cola Co.

Michael's playground. General Mills' Wheaties, CBS/Fox Video Sports and NBA Entertainment have been given the green light to produce "Michael Jordan's Playground," the first sports video to combine original footage with a story line and an exclusive sound track. The video is the sequel to Mr. Jordan's "Come Fly with Me." Wheaties will offer consumers a $2.50 rebate with proof-of-purchase; videos will carry coupons for the cereal. Commercials for Wheaties will appear at the start and end of the video. □

CONSUMER MAGAZINE AD LINAGE

	January 1991	January 1990
■ Auto/cycle/rec. vehicles		
AutoWeek (52X)	78.6	125.0
Automobile Magazine C.	56.3	45.7
Car & Driver C.	96.8	99.2
Car Collector & Car Classics	18.0	21.0
Car Craft	37.4	47.5
Circle Track	55.8	61.4
Cycle	32.6	25.4
Cycle World	29.9	30.4
Dirt Rider	32.0	32.3
Dune Buggies & Hot VWs	72.4	67.1
Easyriders	36.2	24.2
Family Motor Coaching	176.0	191.2
4 Wheel & Off-Road	50.3	61.3
Four Wheeler C.	65.7	65.5
Hot Rod C.	43.0	43.7
Motorcyclist	23.3	18.2
Motor Trend C.	66.6	53.8
Motorhome	73.1	85.4
Rider	24.1	23.1
Road & Track C.	85.0	62.0
Trailer Life	75.6	78.2
Total Group	**1,228.6**	**1,261.4**
% change	**-2.6%**	
■ Boating & yachting		
Boating	104.7	167.0
Chesapeake Bay	20.8	29.3
Cruising World	81.8	96.6
Lakeland Boating (11X)	61.0	81.0
Motor Boating & Sailing	93.2	136.0
Sail	81.0	173.4
Sailing World	29.6	32.7
Trailer Boats (11X)	51.5	73.9
Yachting C.	143.3	191.7
Total Group	**666.6**	**983.6**
% change	**-32.2%**	
■ Civic/fraternal		
Elk (10X)	15.2	16.5
Kiwanis	18.3	25.8
Rotarian	19.7	15.8
V.F.W. (11X)	29.8	29.5
Total Group	**83.0**	**87.6**
% change	**-5.3%**	
■ General		
American Health (10X) C.	31.3	75.2
American Legion	51.9	45.6
Art & Antiques (10X) C.	39.5	56.9
ARTnews (10X)	99.0	120.5
The Atlantic A. C.	50.3	41.7
Bon Appetit A. C.	57.6	57.9
Cable Guide C.	29.2	27.1
Caribbean Travel & Life (6X)	51.7	36.9
Changing Times C.	47.8	47.7
Conde Nast Traveler C.	48.7	57.2
Connoisseur C.	29.3	50.8
Consumers Digest (6X) C.	26.7	21.4
Cooking Light C.	57.0	55.9
Ebony C.	78.3	84.0
Endless Vacation (8X) C.	24.5	37.1
European Travel & Life (10X) C.	53.3	—
Food & Wine C.	34.0	43.1
Golden Years (6X)	32.8	33.4
Gourmet C.	87.5	63.4
Harper's Magazine A. C.	28.5	33.8
Islands (6X)	77.3	51.7
Let's Live	42.0	45.0
Life C.	54.2	58.0
Longevity C.	38.7	—
Mature Outlook (6X) C.	35.9	36.4
Money C.	81.9	85.0
National Geographic C.	17.1	20.6
National Geographic Traveler (6X) C.	32.4	21.7
Natural History C.	28.6	30.8
New Choices C.	22.9	19.7
Prevention C.	32.3	36.3
Reader's Digest A. C.	53.8	59.1
Saturday Evening Post (9X) C.	38.9	—
Smithsonian C.	67.3	79.6
Spin C.	36.6	30.5
Town & Country C.	44.2	89.9
Travel-Holiday C.	21.2	19.3
Travel & Leisure C.	67.1	86.6
Travelhost	1,007.0	1,111.0
Vanity Fair C.	40.5	52.3
Yankee C.	50.8	62.5
Total Group	**2,849.2**	**2,986.0**
% change	**-4.6%**	
■ Home		
Architectural Digest A. C.	82.5	116.9
Better Homes & Gardens C.	56.0	64.6
Columbus Monthly-Homes (4X)	20.6	26.7
Country Life (6X)	60.9	49.8
Country Living C.	52.4	52.5
Family Handyman (10X) A. C.	31.5	23.3
Florida Home & Garden	39.6	55.8
Flower & Garden (6X)	—	50.5
Home C.	21.8	39.5
Horticulture	42.6	47.5
House Beautiful C.	36.0	42.0
House & Garden C.	31.0	49.0
Metropolis	59.5	61.9
Metropolitan Home C.	40.2	61.3
1,001 Home Ideas C.	33.4	43.1
Organic Gardening (9X) C.	45.0	40.3
Phoenix Home/Garden	49.3	56.8
Practical Homeowner (9X) C.	44.4	29.9
San Diego Home/Garden	44.2	57.8
Southern Living C.	68.8	90.5
Sunset Magazine A. C.	69.2	75.9
Workbench (6X)	—	31.3
Total Group	**928.7**	**1,166.8**
% change	**-20.4%**	
■ In-flight & other passenger		
Aboard Group (6X)	40.7	37.7
Alaska Airlines	52.1	69.5
America West Airlines	73.8	81.3
American Way (24X) C.	114.9	110.6
Continental Profiles	35.2	50.8
Delta Sky C.	61.6	63.0
Eastern Review	27.0	33.5
Pan Am Clipper	30.8	37.6
Southwest Spirit	41.3	47.8
Spirit of Aloha	35.9	33.2
TWA Ambassador B.	33.7	—
United Vis 'A Vis	56.3	60.5
US Air Magazine	67.2	56.2
Total Group	**636.7**	**681.7**
% change	**-6.6%**	
■ Men's		
Esquire A. C.	44.8	62.9
Fitnehouse Magazine	96.5	35.9
Gentlemen's Quarterly A. C.	61.8	68.0
M Inc. C.	26.8	35.0
Men's Health (6X)	18.4	—
Muscle & Fitness C.	114.3	98.8
Penthouse A. C.	71.8	56.9
Playboy A. C.	74.7	58.1
Total Group	**471.0**	**415.6**
% change	**13.3%**	
■ Metropolitan		
Aloha (6X)	37.5	45.4
Annapolitan	53.9	87.0
Atlanta	58.4	54.8
Baltimore	38.3	47.1
Boston	78.2	90.7
California C.	29.7	36.8
Chicago	56.5	99.2
Chicago's North Shore	68.5	78.1
Cincinnati	31.9	32.5
Cleveland	21.5	38.9
Columbus Monthly	45.8	58.0
Connecticut	56.2	95.2
D/Magazine	37.2	43.6
Detroit Monthly	51.4	50.6
Grand Rapids	19.3	23.3
Gulf Coast (13X)	82.1	41.2
Honolulu	42.2	50.4
Houston Metropolitan Magazine	63.0	52.8
Inside Chicago (8X)	16.0	18.0
L.A. Style	41.8	53.0
Los Angeles	82.7	120.6
Louisiana Life (6X)	22.7	30.6
Madison	24.0	36.0
Memphis	43.8	47.1
Mid Atlantic Country	41.3	32.5
Milwaukee	44.8	45.0
Minneapolis/St. Paul	80.3	94.1
Minnesota Monthly Magazine	37.2	53.0
New Jersey Monthly	32.5	68.8
New Mexico	100.3	91.3
Ohio	39.8	56.5
Orlando	83.0	103.0
Pacific Northwest	26.4	38.0
Palm Beach Life	57.6	87.0
Palm Springs Life	134.7	170.5
Philadelphia	106.6	127.6
Phoenix	20.8	46.7
Pittsburgh	64.8	45.8
Rhode Island Monthly	60.3	50.0
Sacramento Magazine	65.6	58.7
St. Louis	34.5	39.4
San Diego	85.3	117.8
San Francisco Focus C.	57.0	63.6
Sarasota (10X)	71.0	106.0
South Florida Magazine	74.6	101.6
Texas Monthly C.	101.7	102.3
Ultra	61.7	37.0
Washington-Dossier	22.3	34.3
The Washingtonian	85.3	119.4
Total Group	**2,691.6**	**3,220.5**
% change	**-16.4%**	
■ Music/entertainment		
Audio	90.9	108.4
Dance Magazine	68.2	64.9
Playbill	37.9	39.5
Premiere C.	47.5	59.3
Video Magazine	79.1	81.0
Total Group	**323.6**	**353.1**
% change	**-8.4%**	
■ Outdoor & sport		
Alaska	40.9	35.9
The American Handgunner (6X)	52.0	54.0
American Hunter	18.1	16.5
American Rifleman	22.3	22.5
Bass Master (10X) A. C.	69.4	60.3
Ducks Unlimited (6X)	19.4	24.6
Field & Stream C.	43.3	48.9
Fishing World (6X)	30.3	28.5
Florida Sportsman	102.1	132.5
Golf Digest C.	87.5	103.2
Golf Illustrated C.	45.1	—
Golf Magazine C.	152.7	184.3
Guns	33.0	43.0
Guns & Ammo	29.7	32.0
In-Fisherman (7X)	39.5	47.4
Outdoor Life C.	44.9	50.1
Outside Magazine C.	30.1	30.5
Petersen's Hunting	29.5	29.3
Runner's World (12X) C.	37.6	29.3
Salt Water Sportsman C.	117.4	165.6
Shooting Times	20.9	28.1
Sierra (6X)	45.0	36.0
Ski (8X) A. C.	138.7	116.5
Skiing (7X) A. C.	102.0	79.7
Skin Diver C.	104.9	86.1
Southern Outdoors (9X)	35.4	35.4
Sport Magazine C.	23.4	20.6
Sports Afield C.	64.2	60.0
Surfing	72.2	64.0
Tennis C.	35.6	42.8
Western Outdoors (9X)	18.6	29.9
World Tennis C.	20.0	20.7
Total Group	**1,725.6**	**1,758.2**
% change	**-1.9%**	
■ Photography		
American Photo (6X) C.	42.0	40.6
Petersen's Photographic	21.7	19.8
Popular Photography C.	110.9	100.6
Total Group	**174.6**	**161.0**
% change	**8.4%**	
■ Science/electronic/mech		
Discover C.	30.8	34.2
Home Office Computing C.	40.7	63.1
Omni C.	55.8	43.2
Popular Mechanics C.	44.0	43.7
Popular Science C.	45.3	41.8
Scientific American C.	36.0	37.6
Spectrum C.	55.9	70.3
Total Group	**308.4**	**334.0**
% change	**-7.7%**	
■ Woman/fashion/service		
Cosmopolitan A. C.	100.6	117.3
Elle C.	59.8	64.3
Essence C.	40.9	53.0
Family Circle (17X) A. C.	58.5	61.8
Glamour C.	68.3	64.5
Good Housekeeping A. C.	94.2	76.0
Harper's Bazaar C.	43.0	54.3
Imagen	69.3	51.1
Ladies' Home Journal C.	96.3	83.2
Lear's C.	36.0	49.2
Mademoiselle C.	41.8	54.7
McCall's C.	72.6	55.9
Military Lifestyle (10X)	—	45.7
Mirabella C.	49.9	65.0
New Woman C.	43.6	52.9
Parents Magazine A. C.	77.0	63.9
Redbook C.	55.4	55.8
Savvy C.	43.5	30.1
Self C.	37.0	61.9
Seventeen C.	38.5	53.4
Shape C.	41.8	42.6
Soap Opera Digest (26X) C.	28.5	24.8
Teen Magazine	24.1	28.8
True Story A. C.	32.6	44.1
Victoria C.	35.3	34.6
Vogue C.	91.9	101.9
W Magazine (26X) C.	50.8	69.3
Weight Watchers C.	25.2	34.3
Woman's Day (15X) A. C.	57.4	74.7
Workbasket	—	23.3
Working Mother C.	45.0	44.5
Working Woman C.	64.8	87.6
Total Group	**1,623.6**	**1,824.5**
% change	**-11.0%**	
■ Youth		
Boys' Life C.	14.5	19.0
Campus Life (10X)	59.0	47.0
Total Group	**73.5**	**66.0**
% change	**11.5%**	
■ Business/national		
Barron's	93.8	119.2
Black Enterprise C.	37.2	48.3
Business Week (52X) A. C.	163.9	179.0
Economist (52X) C.	129.5	175.0
Entrepreneur C.	216.4	221.0
Financial World (26X) C.	31.4	73.9
Forbes (26X) C.	223.5	247.2
Fortune (26X) C.	95.7	147.2
Frequent Flyer	40.7	32.0
Futures	33.3	37.0
Inc. Magazine C.	76.1	76.4
Industry Week (23X) A.	52.0	88.7
Nation's Business (12X) A. C.	31.0	26.9
Success C.	75.3	—
Total Group	**1,299.9**	**1,471.8**
% change	**-11.7%**	
■ Business/regional		
Business First of Columbus (52X)	62.1	71.7
Bus. Jrnl.-Milwaukee	98.9	167.6
Bus. Jrnl.-Sacramento	62.6	69.6
Bus. North Carolina	24.3	25.0
Capital Dist. Business Review (52X)	51.3	58.8
Caribbean Business	64.6	49.2
Corporate Rpt. Minnesota	46.4	52.4
Crain's Chicago Bus. (52X)	62.1	100.7
Crain's Cleveland Bus. (52X)	42.3	56.0
Crain's Detroit Bus. (52X)	58.7	76.2
Crain's New York Bus. (52X)	43.5	43.0
Florida Trend (13X)	35.2	42.3
Georgia Trend	24.3	31.8
Grand Rapids Business Journal	41.2	47.9
Hawaii Business	37.0	41.5
Houston Bus. Jrnl. (52X)	76.6	62.0
Indianapolis Bus. Jrnl. (52X)	81.1	118.0
Nashville Business & Lifestyle B.	21.1	—
New England Bus. (12X) A.	13.8	31.0
New Orleans City Bus.	51.4	52.6
Pacific Bus. News (52X)	87.3	87.0
Philadelphia Business Journal	73.3	114.5
Pittsburgh Bus. Times (52X)	44.8	132.8
Providence Business News	67.3	62.6
Regardie's-Washington (8X)	70.0	122.0
St. Louis Bus. Jrnl. (52X)	88.2	90.0
Warfield's Monthly Baltimore	44.5	58.3
Total Group	**1,453.0**	**1,864.5**
% change	**-22.1%**	
■ National Sunday mags		
Parade (52X) C.	59.1	50.2
USA Weekend (52X) C.	45.0	52.4
Vista Magazine (52X)	7.1	10.6
Total Group	**111.2**	**113.2**
% change	**-1.8%**	
■ Newspaper Sunday magazine		
Boston Globe	93.9	145.5
Chicago Tribune	97.3	78.1
Cleveland Plain Dealer	22.2	32.7
The Dallas Morning News	25.8	37.6
Detroit Free Press	27.0	26.0
L.A. Times C.	38.9	44.9
Louisville Courier-Jrnl.	18.0	18.0
New York Times Magazine C.	127.5	170.3
Seattle Times	35.0	55.0
St. Louis Post Dispatch	60.7	59.0
Toledo Blade Magazine	23.3	20.3
Washington Post	62.2	74.8
Total Group	**631.8**	**762.2**
% change	**-17.1%**	
■ Weeklies/bi-weeklies		
The Advocate (26X)	205.3	169.7
Army Times Military Group:		
Air Force Times (52X)	110.3	145.9
Army Times (52X)	108.4	138.9
Navy Times (52X)	121.1	153.9
Capper's (26X)	42.7	47.2
Commonweal (22X)	8.7	7.8
Golf World (41X)	147.3	156.1
Grit (52X) A.	39.6	40.3
Jet (52X) C.	71.5	76.0
National Journal (50X) C.	34.0	34.5
National Review (25X)	25.6	14.3
New Republic (48X)	31.0	41.2
New York Magazine (50X) C.	124.1	147.7
New Yorker C.	89.7	137.0
Newsweek (52X) A. C.	100.4	107.7
People (51X) C.	187.9	140.0
Rolling Stone (25X) C.	79.8	79.9
Sporting News (52X) C.	25.4	32.1
Sports Illustrated (52X) A. C.	129.9	120.6
Time (52X) A. C.	165.0	158.8
TV Guide (52X) A. C.	227.6	253.0
US Magazine (26X) C.	19.9	29.8
U.S. News & World Report (50X) A. C.	83.2	86.4
Total Group	**2,178.3**	**2,318.7**
% change	**-6.1%**	

NOTES: Linage is given in paid ad pages. (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and % change. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. *Ad Age* makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

ADREVIEW

Excedrin pounds home message for its Aspirin Free medication

(Rating:★ ★ ½)

By Bob Garfield

Garfield

The new TV spot for Aspirin Free Excedrin sets you reeling in the first 6 sickening seconds, beginning with an oblique overhead shot of a young woman at her computer in the cluttered corner of her in-home office.

Next is a close-up of her leaning back, eyes closed, massaging her neck. She looks beat, and no wonder. The place is a wreck, there's an electrical storm going on and the amplified ambient sound is a rasp on raw nerves: thundering thunder, clicking keyboard, beeping computer and the particularly petulant thrumming of the printer.

The third shot takes the computer's onscreen spreadsheet figures and the lady's enervated reflection in and out of focus. Through the monitor glass darkly, as the phosphorous green figures fuzz out, we see her eyes close. Cut to a side view: She's bending forward, rubbing her face and sweeping back her hair.

This is not a happy lady, and I ain't feeling too good myself. If Ronald McDonald tries to make you hungry, this spot from DDB Needham Worldwide, New York, goes the clown one better. It makes you dizzy and cranky *this instant*.

Husband (at the doorway): "How's your headache?"

Wife (bemused): "I'm sorry. What'd you say?"

Husband: "I said, How's your headache?"

Wife (with some irritation): "How did you know I have a headache?"

Husband: "Maybe you should lie down."

Wife (more insistently): "How did you know I have a headache?!"

Husband (gently): "Honey, it shows."

Voice-over: "For a headache so bad it shows, take Aspirin Free Excedrin."

Wife: "Aspirin FREE Excedrin?"

Husband: "Aspirin free. It works."

Voice-over: "Aspirin-free relief, for a headache so bad it shows."

Wife (looking at her compact mirror, sighing and smiling with relief): "Ohhhhh. That's more like it."

I'll say. The spot is over, and these refugees from "thirtysomething" are out of our face. This jarringly genuine slice of yuppie life, this mundane moment of dramatic tension, this Michael-and-Hope-like glimpse at minor spousal confrontation is over. Much like viewing "thirtysomething," in fact, our morbid fascination with real-life demicrisis collides with our desire for escape from such quotidian stress—only in this case, the desire for escape wins.

Which, oddly enough, may be this commercial's strength. If its oppressive verisimilitude and crushing peevishness cause us in life's overwrought moments to think of Aspirin Free Excedrin, Bristol-Myers Squibb Co. is way ahead of the game. More's the pity.

Bully for evocative advertising, but in the end, this is just another disingenuous painkiller ad.

Historically, the relentless striving for differentiation among branded analgesics has produced some of marketing's darkest hours, and we have yet fully to see the light. The brazen invention of phony miracle ingredients and the malignantly deceptive mutation of language, yes, have largely vanished—only to be replaced by a maddening conspiracy of silence. Bufferin and Excedrin, Advil and Nuprin, Anacin and Arthritis Pain Formula—even the sainted Tylenol—all perpetuate consumer confusion by nondisclosure of their prosaic contents.

What promises to be a penetrating look at a penetrating headache for Aspirin Free Excedrin ultimately is just another painkiller commercial.

"Strong medicine for pain" and similar copy may be true, but it purposely obscures the central fact: these expensive brands are aspirin, acetaminophen or ibuprofen, one and all. The lengths to which all entrants go to promote brand identity at the expense of pharmaceutical candor are discomfiting indeed.

Of course, this is the classic dilemma of marketing a commodity product, to which patent medicines are no less invulnerable than, say, Green Giant. Both need to communicate heritage and intangible national-brand dependability to compete against identical, lower-price house brands.

But there's a big difference between drugs and frozen peas.

In the confluence of our magnificent free market with the imperative of public health, we've come not very far from the snake oil salesman. This is the intractable, sick headache of national advertising . . . a headache so bad it shows. □

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

Nike bashers

(Continued from Page 3)

Deutsch, who added that neither his agency nor his client, a division of Jack Schwartz Shoes, has had any reaction from Nike. "There's nothing disparaging we're doing beyond what a Coke/Pepsi would do."

"It reminds me of how RC cola always wanted to get in the way of Pepsi and Coke," Reebok VP-Marketing Services David Ropes said of the British Knights campaign.

British Knights plans to add new executions in the fall to the campaign that will run nationally on Fox Broadcasting Co. and cable's MTV: Music Television and regionally on two of the Big 3 networks.

Nike, which holds 28.4% of the market, traditionally uses its roster of star athletes to convey a pure performance message in its advertising. Its latest campaign, for the Air 180 running shoe, draws on that sports heritage.

The current spate of Nike bashing has been fraught with network rejections and potential legal action.

A Nike source said the company had considered taking legal action against Reebok for the unauthorized use of the names of Nike's athlete/presenters. The Reebok ads feature that brand's athlete/endorsers advising Nike athlete/endorsers, by first name only, to "Pump up and air out."

Instead, Nike for now is betting that the Reebok effort will alienate consumers, as did the previous ill-fated "U.B.U." campaign and bungee-jumper TV spot.

But, said Reebok's Mr. Ropes, "the retailer is loving [the new campaign] and the consumer is loving it. It's making a hell of an impact."

Lois/GGK, New York, created the "Pump up and air out" spots.

Reebok's marketing budget will rise to $100 million this year with ad spending increasing to $70 million, up 40% over last year, Mr. Ropes said. Nike spends about $100 million annually on advertising, via Wieden & Kennedy, Portland, Ore.

In addition to Nike's concern about the Reebok ads, CBS-TV rejected both L.A. Gear's and Asics' "hot air" spots as unfairly disparaging Nike (AA, Feb. 4).

Asics first used the line last summer in a spot that ended, "Anything more is a lot of hot air." ABC refused to air the spot.

On last month's Super Bowl telecast, however, ABC accepted L.A. Gear's commercial for its new Catapult shoe, in which basketball star Karl Malone says, "Everything else is just hot air."

In a statement, Asics said it's asking for compensation from ABC for keeping its spot off the air all that time and now accepting a spot that says almost the same thing. The company is also considering action against L.A. Gear for allegedly copying its tagline, said Nancy Larsen, Asics director of public relations.

Bozell, Los Angeles, handles Asics; BBDO Worldwide created the Catapult ads.

Asics' newest spot, breaking early next month, eschews competitive claims and focuses instead on a humorous dialogue between Isiah Thomas of the Detroit Pistons and his mother.

Not everyone is taking up the cudgel against Nike these days.

Adidas and Converse, the No. 4 and No. 5 players in the market, respectively, are also taking the high road.

Adidas in March will break a new campaign for its Equipment line focusing on the basics of sports (AA, Feb. 18).

Converse will spend $22 million this year on advertising carrying the theme, "It's what's inside that counts." TV spots created by Ingalls, Quinn & Johnson, Boston, feature National Basketball Association stars Larry Bird, Magic Johnson and Bernard King and Boston rock band the Bostones.

"We need to focus on ourselves," said Gordon Tucker, Converse's senior VP-marketing. "I don't see the value of Nike bashing at this point." □

Fritos

(Continued from Page 3)

show teens in situations where they have pent-up hunger and Fritos provides the solution. Ads are themed "Muncha buncha Fritos right now," the "right now" giving a sense of urgency to the well-known tagline developed in the late '60s by former Fritos agency Young & Rubicam, New York.

In one spot, two boys in a classroom are being taunted by friends outside, enjoying bags of Fritos. The boys find a way to get out of the classroom to get to the Fritos.

In the other commercial, the same two boys are shown in a school bus.

When Non-Stop Nacho Cheese Fritos roll out, the introduction will be backed by two :30 radio spots and a tag at the end of the TV spots.

Heavy in-store sampling is part of the program.

"The interesting thing is that Fritos has very little direct competition," Mr. O'Leary said. "But there is more variety in the category than ever before, and that's where Fritos needs to interact. Our challenge will be to retain our loyal consumers and continue to gain share with an up-and-coming younger consumer." □

ADWATCH

Auto ads show January spark

Automobile advertising in general ranked first in *Advertising Age's* monthly survey of advertising awareness, marking its second month in the top spot. Pepsi-Cola was second in the January poll, with the Gulf War coming in third. Heavy new coverage of the war prompted consumers to rank it third in advertising awareness. Awareness is measured by a telephone survey of 1,000 adults who are asked to list advertising that comes to mind from all advertising that is seen, heard or read in the past 30 days. Margin of error is plus or minus 3.1%.

Rank 1/91	12/90	Advertiser	Agency
1	1	Automobiles (general)	Various
2	5*	Pepsi-Cola	BBDO Worldwide
3	-	Persian Gulf War/crisis	
4	7*	Coke/Coca-Cola	McCann-Erickson Worldwide
5	5*	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/-DDB Needham Worldwide
6*	-	Nike	Wieden & Kennedy
6*	3	Chevrolet	Lintas: Campbell-Ewald
8	4	McDonald's	Leo Burnett USA
9	10*	AT&T	N W Ayer/Young & Rubicam/-McCann-Erickson Worldwide/-Ogilvy & Mather
10*	9	Energizer	Chiat/Day/Mojo
10*	2	Ford	J. Walter Thompson USA

* Indicates tie. Source: Gallup Organization

KIMBERLY MART

NOTE

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NEWSPAPER

March 4, 1991

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LAST MINUTE NEWS

BBDO quits L.A. Gear

LOS ANGELES—BBDO Worldwide last week resigned the creative portion of L.A. Gear's $68 million advertising and promotion account just nine weeks and one Super Bowl spot after winning the business. Agency executives said they quit because L.A. Gear wouldn't pursue a new creative style and re-edited the Catapult shoe commercial that aired during the Super Bowl. The re-editing added the line, "Everything else is just hot air," and BBDO said L.A. Gear had been warned competitor Asics had used a similar line. L.A. Gear Exec VP Sandy Saemann said the company was shocked by the resignation and had exercised its prerogative to override some BBDO creative decisions. It's likely L.A. Gear will return to producing all its creative work in-house; Vitt Media buys media.

Wella to merge accounts

DARMSTEDT, Germany—Haircare giant Wella AG is close to picking an international agency to handle its consolidated $53 million pan-European advertising account, agency sources said. Contenders are BBDO Worldwide, TBWA Worldwide and Frankfurt agency Die Gruppe, Wella's main agency in Germany, the sources said. The move is expected to be gradual, not resulting in the immediate firing of local agencies Wella now uses in Europe, including Butterfield Day De-

(Continued on Page 8)

INSIDE

"Creativity"
An *Ad Age* supplement that you have to ask for to get.

Some readers get "Creativity," which starts after Page 26. If you don't, call 1-800-678-9595 and ask for *Ad Age* circulation.

Military launches ads

By Steven W. Colford

GULF CRISIS

WASHINGTON—The U.S. Army, armed with new creative that plays to swelling patriotism, is returning to network TV advertising less than 72 hours after President Bush ordered a cease-fire in Operation Desert Storm. The first ads were scheduled to run this past weekend.

The U.S. Marine Corps also was scheduled for a weekend resumption of paid network TV advertising, with new creative as well as a reworked commercial modified to take into account the pro-U.S. sentiment stoked by the Persian Gulf War.

The army ads "are patriotic in nature to reinforce the confidence that the American people feel in the Army today," said Col. John Myers, director of advertising and publicity at the U.S. Army Recruiting Command. The Army decided to get back on TV soon after President Bush's national address Feb. 27, he said.

The new 30-second spot, titled "Count on Me," consists of "quick cuts of soldiers in the field" with an accompanying song that

(Continued on Page 47)

The U.S. Army taps into heightened patriotism with a new spot titled "Count on Me."

Recession still the enemy

Wary marketers, media uncertain if peace means prosperity

An Advertising Age roundup

The decisive U.S.-led victory in the Persian Gulf War has left marketers puzzling over whether renewed patriotism and confidence will translate into an economic upturn.

An *Advertising Age* survey of marketers, media and agencies last week revealed few immediate plans to dramatically shift gears

■ Travel industry sees pent-up demand, jumps into advertising—P. 48

or boost ad spending as a result of the war's end, except for the travel industry.

U.S. automakers, the largest advertisers, are optimistic the end of the war will lead to a rebound in sales, though predictions vary on how quickly the industry will recover from its worst slump in a decade.

"Dealers tell us business is getting better," said Mark Hutchins, general sales manager for Ford Motor Co.'s Lincoln-Mercury Division.

In the past few weeks, he said, showroom traffic has been up 30% to 40% from the November-December depths.

Ford economists are predicting a gradual rise in industry sales starting in May or June, but Mr. Hutchins said he believes the comeback could be quicker.

"When our fellows and gals come back home, this whole country is going to have a good feeling and I think it's going to bode well," he said.

Underlying economic problems, however, could undermine the positive feelings, said Theodor Cunningham, exec VP-sales and marketing at Chrysler Corp.

"You've got an airline industry that's really sick and a car industry that had a terrible fourth quarter. . . . You've got a banking industry under some extreme pressure," Mr. Cunningham said. "I think there's an awful lot that's got to be done

(Continued on Page 46)

Kuwait shops gearing up

By Laurel Wentz

The liberation of Kuwait last week by U.S.-led forces is liberating another group: ad agencies.

"We're in a celebratory mood," said Ramzi Raad, exec VP of Dubai-based Intermarkets Advertising, a Middle East ad group.

■ Could Iraq be the next hot ad market?—P. 48

Mr. Raad said his group definitely plans to reopen Intermarkets Kuwait, but the first priority is finding out if the half-dozen staffers, including some top executives, who stayed in Kuwait are safe.

Since the Iraqi invasion, he's been sending weekly fax reports to clients such as Procter & Gamble Co., Nissan Motor Co. and Citizen watches.

"We've never stopped updating our [multinational] clients outside the area that the situation will get back to normal and there will be a Kuwait again," Mr. Raad said.

He predicted the first advertising opportunities in Kuwait will be in newspapers and magazines because Kuwaiti publishing companies have been operating in exile and can resume publication without difficulty.

"I suspect the TV station was hit during hostilities," he said. "It will take some time to get back to normal."

Mr. Raad said local advertisers ran page ads in Persian Gulf newspapers Feb. 28 congratulating the Kuwaitis on their victory.

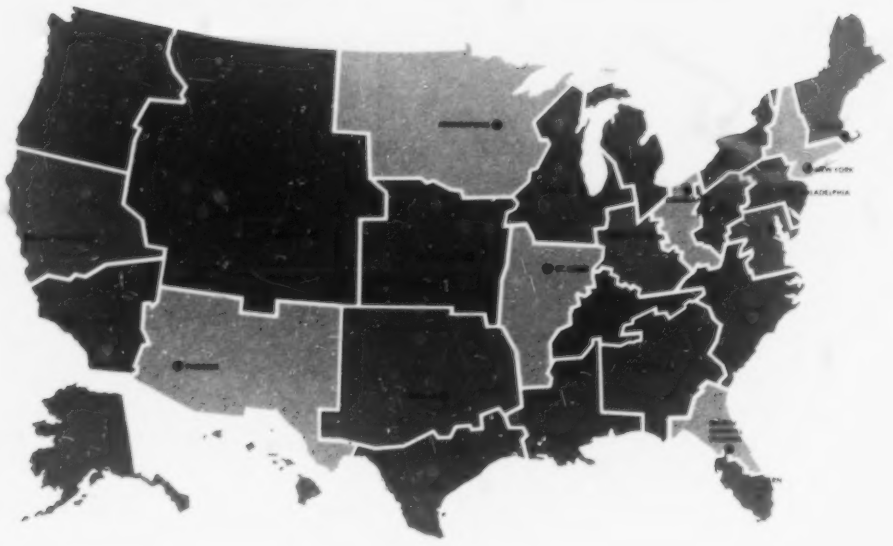
Meanwhile, some marketers are already starting to look at disrupted launches and ad campaigns.

Chrysler Corp. had scheduled a pan-Gulf launch of Dodge passenger cars and

(Continued on Page 48)

Sears' Visa card primed P. 3 ▪ **Private-label cereals surge** P. 4 ▪ **Langstaff out at BK** P. 6

NOT SINCE THE CIVIL WAR HAS THE COUNTRY BEEN THIS DIVIDED.



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NEWS SUMMARY

■ **U.S. military services** have resumed recruitment advertising, using new patriotic themes. 1

■ **The recession** remains a primary concern of marketers, with travel companies among the few planning significant ad boosts following the Persian Gulf War victory. 1

■ **Kuwait-based agencies** and media are already planning a return to that newly liberated country. 1

■ **Sears** will use heavy direct mailing, along with spot TV and print, to introduce Prime Option Visa credit cards. 3

■ **Rupert Murdoch's News Corp.** may sell its U.S. magazine properties, except for *TV Guide* 3

■ **TV infomercials** are losing popularity because of lower sales and unfavorable publicity. 3

■ **Toys "R" Us** will promote its new low-price marketing strategy with ads advising shoppers to "Check it out." 4

■ **Ford Motor Co.** plans a $60 million ad campaign for Ford Crown Victoria and Lincoln-Mercury Grand Marquis. 4

■ **Private-label cereals** are showing the fastest growth in the ready-to-eat category. 4

■ **Ogilvy & Mather's** former Chicago office head, Bruce Beach, charges he's owed $1 million severance. 6

■ **American Association** of Advertising Agencies advised agencies to adopt a policy of "sequential liability" for media contracts, rather than sole agency liability. 6

■ **Gary Langstaff** resigned as exec VP-brand strategy of Burger King Corp. 6

■ **Backer Spielvogel Bates** is dropping the longtime Bates phrase, Unique Selling Proposition, in its new image campaign that will stress brand building. 6

■ **Nestle USA** has reorganized its 15 food and beverage companies into six newly formed units. 8

■ **Agency media departments** are gaining prominence and more responsibilities as media buying becomes more complex and clients press for more efficent media buys. 12

■ **Leo Burnett Co.,** in a reorganization of its marketing services unit, has added an event marketing arm. 27

■ **Movie theater chains** are testing a variety of marketing methods, including cross-promotions with advertisers, to boost attendance and establish the theater's "brand." 43

■ **Popeyes** Famous Fried Chicken & Biscuits chain stresses its New Orleans heritage in a new ad campaign. 43

■ **Family-oriented magazines** are under development by *U.S. News & World Report*, Meredith Corp. and Time Warner. 45

■ **Dow Jones & Co.** is pushing ahead with expansion plans despite losing out to NBC in its joint bid, along with Group W, to buy Financial News Network's assets. 45

■ **TV's upfront marketplace** is looking brighter; NBC said it will scrap its controversial guarantee policy. 46

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LETTERS

Attack our own problems

I found Rance Crain's column, "War to make for better plowshares" (AA, Feb. 14), thoroughly repulsive.

Yes, war brings out many things. But I certainly don't think the two issues he chose to focus on—our national manufacturing potential and our consumer rights—are among the top hundred.

First of all, look into our past and you'll see that the only thing consumers really think about after a war is making babies.

Secondly, he's probably among the few who would have the audacity to say, "Gee, if American missiles work so well, why can't American cars?"

It seems to me he has a hard time admitting, or accepting, that the military is our No. 1 product. And being that you can't defend a country with fancy cars and VCRs, it seems most of us—at least those of us who matter—welcome this technological trade-off.

As for his attack on the press, does telling us about what has happened (not what will happen) or about opposing viewpoints threaten our military effort?

I only wish we would attack our own problems with as much enthusiasm as we're attacking Iraq.

Laurie Seltzer
New York

College days

I enjoyed James Brady's college days column (AA, Jan. 21) and agree with its sentiments. I worked all the way through college (and part of high school) and suffered no illness of the body or spirit.

In the column, though, Brady indicates that Harry Blair went into Normandie during World War II. I'm sure he landed at Normandy, unless, of course, the grand ocean liner was moored nearby.

Wes Hasden
Assistant to the publisher
Chattanooga (Tenn.) *Times*

The college days piece illustrates exactly how today's teenagers and young adults view a college education—as a God-given right rather than a commodity that should be purchased or earned by the individual. I guess Brady hit on a nerve with me, because I also worked my way through school. However, rather than "building my character" or helping me "appreciate it more" (I heard those lines a thousand times from my parents and friends), working my way through school made me somewhat bitter—bitter because my long hours affected my grade point, bitter because my sorority sisters seemed to have it so much easier, bitter I guess even at today's personnel directors who take college degrees for granted and forget that those degrees aren't available to everyone.

So, yes, I can relate to Brady's wonderment toward Kelly's cries of "Poor me." People like that should get off their lazy butts and earn their way. Geez, he should be grateful that he was only looking at a thousand dollars in expenses—that's an easy summer job's worth of wages, if you ask me.

Mary Ryan
St. Louis

I am dismayed by Mr. Brady's apparent outrage that this student receives a $250 scholarship and another grant for an unspecified amount. . . . He does not have a part-time job but spends his leisure time working on the *Black Exchange*, a campus magazine. What is so terrible about this? . . . I'd rather have him getting experience working on a student publication than making $5 an hour working at a fast-food restaurant. Which do you think will give him the more valuable, marketable experience he'll need in the real world?

With all the money spent on various programs in this country, I certainly don't resent it if my tax dollars go toward scholarships such as these.

Lois Marshall
San Francisco

Void where exhibited

Before Bob Garfield reviews the current Cadillac Leasing TV spot, may I nominate it for the "Mouse Type of the Year Award"?

This network :30 has, according to my count, 115 words of legal disclaimers which take up the lower half of the screen and four frame changes! Add to this another 18 words of supers over pretty basic stock footage and an announcer voice-over and you watch this thing and wonder, "What the hell was that?"

I had this gem on tape, so I had the disclaimers transcribed:

A. You must take delivery out of dealer stock. First month's lease payment of $499, plus $500 refundable security deposit for a total of $999 due at lease signing.

B. Other fees may be applicable at lease signing including GMAC acquisition fee, tax, license, title fees and insurance. Example assumed a dealer fixed capitalized cost reduction of $3,630.

C. Mileage charge of 10 cents per mile over 45,000. Payments may be slightly higher in Alabama, Arkansas, Oklahoma, Texas and Virginia. Lessee pays for excessive wear and use. GMAC must approve lease.

D. Example Sedan de Ville: $32,191 MRSP, includes destination charge. Option to purchase at lease end for $15,591. See your participating dealer for qualification details. Total of payments is $17,964.

C'mon Cadillac—show some real Cadillac Style and give your advertising back to your copywriters and not your attorneys!

Woody Woodruff
President
The Advertising Company
Fort Wayne, Ind.

FREEZE FRAME

"A little heavy on the self-promotion, Betsy, but the stripes are a nice touch."

Bill Whitehead

Eliminate political ads

While Ron Kaatz's plan to clean up candidates' commercials (Forum, AA, Feb. 4) has merit, it doesn't go far enough. Why not eliminate political ads on TV altogether? Give each candidate an hour and a half of prime time to be used in half-hour segments any time he/she chooses before the election.

To compare political ads with those of beer, fast-food or automotive companies is doing a disservice to beer, fast-food and automotive companies who are far more respectful of the intelligence of the public than the people behind political campaigns.

Steven Dalen
Creative Entertainment Industries
Pismo Beach, Calif.

Advertising Age *reserves the right to edit letters for space and/or clarity. Address letters to* Advertising Age, *Viewpoint Editor, 220 E. 42nd St., New York 10017.*

CORRECTIONS & CLARIFICATIONS

■ Sony Corp. of America's search for a new agency for its hardware division won't affect Burkhardt & Christy, New York, which continues as agency for Sony's Magnetic Products division (AA, Feb. 18, P. 8).

■ *New Woman* reported a circulation of 1,340,540, down 3.6% for the six months ended Dec. 31, according to the Audit Bureau of Circulations. The magazine, the nation's 53rd-largest, wasn't included in a list of 200 top U.S. magazines (AA, Feb. 18, P. 37), due to a computer programming error by Audit Bureau.

■ The Council of Economic Priorities has revised its "Shopping for a Better World" ranking for Fantastic Foods, removing it from the low-grade listing. DataWatch cited a CEP study that was released before the Fantastic Foods upgrading (AA, Feb. 11, P. 46). □

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Bernbach

(Continued from Page 20)

present—wanted to talk about what had happened and their own theories of why. Especially to an old insider. It was a time of white hot fury that could not long be sustained. I tried to catch it, on tape, at its peak, over the weeks that followed.

As I went on gathering material on the collapse, my Bernbach file folders grew fatter, and spilt over into subdivisions, which in turn pushed out into new folders.

The story I had set out to research—for all its sensational disclosures—began to seem less compelling than the portrait building in my files. Who, in a year or two, would care about those last few years of betrayals and money grabs? The players in the final act would not long be remembered.

On the other hand, the advertising world would always remember Bill Bernbach.

• • • •

Ned Doyle to the contrary, everything pointed to a biography of Bernbach. Everything except my heart. I copied out the words of Katherine Anne Porter's biographer, who wrote of being emotionally disconcerted by "the uneasy sense, inhibiting rigorous investigation, that the revelations about her life constituted some cruel kind of exposure."

I supposed that Bernbach's spirit rested content with the final portrait of his legendary self. No one knew better than I how watchful he had been of his image. He kept its care entirely in his own hands. He dealt with the press as he chose. I handled the agency's public relations, not his, and my efforts to coordinate the two were not encouraged. He would pick up the phone and call *The New York Times* or *Advertising Age* and speak his mind on a sticky agency story, whatever PR strategy we'd hammered out with clients and lawyers. So, messy moments resulted for the agency posture. (The press, flattered by his calls, admired him more than ever.) So, we pulled our hair. It *was* his agency. And wasn't he the master in the art of communication?

And it *was* his image. And he seemed to have very firm ideas about what it should—and should not—encompass. He would talk to an interviewer with joyous excitement about advertising, about the art of persuasion. But an icy blue stare would cut off any attempts by the writer to get behind the ideas, to the man himself. Even a question about his work habits was over the line to Bernbach. If such reactions struck me as excessive, I quickly learned to accommodate to them. He'd attained legendary status long before I came on the scene. He'd achieved that while relentlessly guarding his privacy. I might dare to "take him on" in some areas, but not in his determination to keep the "personal" from spilling into the press.

Yet one could never be sure just where Bernbach drew his lines. For example: As his 65th birthday approached, I proposed a gathering of all of Bernbach's creative offspring, past and present, the most remarkable collection of talent in advertising history. I could imagine no greater tribute. Nor a more powerful visualization of Bernbach's dominant impact on the industry.

Immediately, his closest associates assured me that Bernbach would never agree to inviting former DDB art directors and copywriters. What? Why not? Eyes rolled incredulously at my density. Surely I was aware of Bernbach's unforgiving feelings towards those of his people who had taken jobs with competitors, or started their own agencies. I'd better leave it alone, they warned. I couldn't, so strongly did I feel about my proposal. I took it to Bernbach, who unhesitatingly approved—although he crossed a few names off the list I'd drawn up. The resulting event, a triumphant celebration, deserves a place of its own in this story, illuminating an unexpected passage in the fathers-and-sons saga of Bernbach's life.

The experience taught me that his closest associates had no more idea than I had of Bernbach's "off-limits." Yet that didn't stop them from trying hard to protect him. From . . . what? □

(To be continued)

Changes in shopping trends

The bloom is off department store beauty aisles.

While still the most frequented outlet for women's beauty aids, their share of cosmetics, skincare and fragrance shoppers is declining. An *Advertising Age*/Gallup Organization survey of 1,012 adults found 19% of women have changed their shopping patterns for such products in the past two years, with department stores losing the most customers.

GALLUP SURVEY

Thirty percent of those women who have started to shop elsewhere for beauty aids cite department stores as their primary source today, down from 38% just two years ago.

The news is better for large discount stores, cosmetic specialty stores, drugstores, supermarkets and mail-order/distribution companies, which all gained up to 3% more beauty aids shoppers.

Quality is the driving force behind beauty aids purchasing decisions for 67% of women—significantly more than the 55% of men who cite quality as the most important factor for grooming products. Price comes in a distant second, with 19% of women and 22% of men citing that as most important.

—Adrienne Ward

Where do you buy toiletries?*

	Women	Men
Department store	31%	14%
Drugstore	23	19
Large discount store	16	21
Mail order/distributor	10	3
Supermarket	8	32
Cosmetic specialty store	6	2
None of these	4	4
Any/all	2	1
Don't know	1	5

Has your primary source for such products changed in the past two years?

	Women	Men
Yes	19%	12%
No	80	84
Don't know	1	4

If you changed, where did you shop for toiletries two years ago?*

	Women	Men
Department store	38%	20%
Drugstore	21	10
Mail order/distributor	12	2
Large discount store	10	18
Cosmetic specialty store	6	2
Supermarket	5	43
None of these	4	2
Any/all	1	—
Don't know	2	3

If you changed, where do you shop for toiletries now?*

	Women	Men
Department store	0%	18%
Drugstore	22	20
Mail order/distributor	14	7
Large discount store	13	27
Cosmetic specialty store	8	3
Supermarket	7	25
None of these	3	—
Any/all	1	—
Don't know	1	—

What's the most important factor when you buy toiletries?*

	Women	Men
Quality	67%	55%
Price	19	22
Convenience	4	11
Service	2	2
Other factor	3	1
Don't know	1	5
None	2	4
Any/all	3	1

*Represents cosmetics, skincare and fragrances for women; skincare, fragrance and shaving products for men.
Source: *Advertising Age*/Gallup Organization

Department stores in fight of their lives

By Laurie Freeman

For prestige cosmetics and fragrances, there's more than one war going on right now.

The economic recession, Persian Gulf War and troubled department store environment have eroded consumers' enthusiasm for shopping. At the same time, marketers of upscale beauty aids also are facing competition from an increasing number of distribution outlets.

Specialty cosmetics and body-care boutiques such as The Body Shop, deep discount chains such as Cosmetics Center and specialty apparel shops like The Limited and Benetton all are eroding department stores' share of cosmetics and fragrance sales *(see story on Page 32)*.

"Consumers are aware of the deterioration of the selection of goods in department stores," says Carl Steidtmann, VP-chief economist, Management Horizons, a retail consultancy. "There are now plenty of other channels . . . for similar goods."

That shoppers are finding other outlets is evident in the results of a recent *Advertising Age*/Gallup Organization telephone survey of 1,012 adults, which indicates more and more consumers have been shop-hopping for beauty aids in the past two years.

The survey found 19% of women and 12% of men no longer shop in the same stores for beauty aids and grooming products as they did two years ago. Department stores are getting hit the hardest.

Thirty percent of those women who have changed shopping patterns for cosmetics, skincare and fragrances cite department stores as their primary source for such products, down from 38% two years ago. As for men, 18% of shop-hoppers frequent department stores today for skincare, fragrances and shaving products vs. 20% in 1989.

Other stores have benefited from the changes in consumer shopping patterns. Large discounters, cosmetic specialty stores, drugstores, supermarkets and mail-order/distribution companies all have gained up to 3% more shoppers since 1989.

The distribution revolution

Edited by Adrienne Ward

There is further evidence of the troubles facing department stores and prestige cosmetics and fragrance brands: declining market share. In 1990, department stores accounted for a 19% share of estimated cosmetics sales of $2.5 billion (in manufacturers' dollars), down from a 24% share of $1.2 billion in 1986, says Prudential Securities analyst Andrew Shore.

During the same five-year period, drugstore cosmetic sales grew three percentage points to a 35% share.

Some prestige cosmetics lines are trying to curb the erosion by implementing new marketing and advertising strategies.

One of the more innovative attempts comes from prestige category leader Estee Lauder Cos., which is tapping into the growing environmental consciousness of consumers and going after younger women with its Origins Natural Resources division. Origins will open its first free-standing boutique in Boston in July and is expanding to additional department stores.

The products take a natural positioning similar to The Body Shop and are considerably less expensive than Lauder's other brands.

Charles of the Ritz, in response to the recession, is trying to attract a broader customer base by taking a strong price/value position this spring with its new Ritz Express cosmetics and treatment line. Magazine ads, created by Tarlow Advertising, New York, promote prices in the $8 to $15 range.

"It's a minimalist approach with regard to the number of products used, the packaging and the affordable, pared-down prices," says Holly Clothier-Mercer, VP-marketing, Charles of the Ritz. "We're offering the consumer a different point of view that heretofore she's not had in the department store."

The moves by Lauder and Revlon's Charles of the Ritz are significant, industry experts say, and likely will influence other marketers to follow suit.

"You can't just repackage a line to reflect a recession," says consultant Allan Mottus of Mottus & Associates. "But it would serve [marketers] well to look at price/value" positionings.

John Horvitz, a principal in the Horvitz & Appel Associates consultancy, believes retailers and prestige marketers should develop programs that ensure brand loyalty, such as creating preferred customer lists, frequent-customer clubs and telemarketing.

Marshall Field's is building customer lists by placing "bounce back" cards over page ads in *Chicago* for Prescriptives and Shiseido. The cards invite consumers to visit those counters for a free sample.

"The key was the customer had to bring the card back to the store herself to get the sample; she couldn't mail it in," says Sandra Jaffa, New York regional manager for *Chicago* and *Texas Monthly*.

A similar promotion for Estee Lauder that ran last year in *Texas Monthly* posted a 2.5% response rate from insertion of 300,000 cards. Ms. Jaffa says between 50% and 90% of consumers returning the cards were new customers.

"Despite all the bad news, the opportunity exists to make [cosmetics] departments look more like perfumeries or boutiques, make the atmosphere more soft-sell and less intimidating," says Wendy Liebmann, president of WSL Marketing, a retail consultancy. "No woman wants to be spritzed anymore. She wants to feel she's in a special place, seeing things she doesn't see elsewhere."

Industry consultants believe prestige marketers in the '90s will become more choosy in determining which retailers will carry their lines.

"The key [for the marketer] is to limit the number of brands and devote greater attention to those brands," says Dorothy Foster, president of consultancy DCF International. "When every department store has the same merchandise, it then becomes a matter of who's offering the better deal. That's not the way to build business anymore." □

Laurie Freeman is a free-lance writer based in Ann Arbor, Mich. Pat Sloan in New York contributed to this story.

Illustrations by Richard Sparks

NOTE

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March 11, 1991

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Advertising Age

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Nets get shock in FCC battle

By Steven W. Colford and Joe Mandese

WASHINGTON—The Federal Communications Commission will end one of the most controversial chapters in its history this week by revising regulations that restrict the Big 3 TV networks' ability to produce and sell programming.

But network executives now fear the commission majority on March 14 will come down on the studios' side, allowing liberalized though limited rights. Early last week, it was widely believed the majority would come down solidly on the side of the networks.

That switch "was a stunning shock to most people," said a high-level network executive.

At stake for the networks: an opportunity to share in the estimated $5.4 billion global syndication market, now dominated by studios and syndicators.

Trapped between the factions in the decadelong battle has been the advertising industry, loath to alienate either the networks or the studios by choosing sides.

There are pluses and minuses for advertisers, said Joe Ostrow, worldwide media director for Foote, Cone & Belding Communications, New York.

"The upside is that . . . if the networks get another revenue stream coming out of their programming activities, that will

(Continued on Page 40)

Coke's $100M blast

Mini-CDs star in huge summer promotion

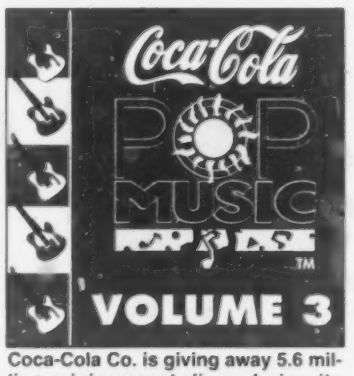
By Alison Fahey

In one of the biggest promotions ever to hit the cola wars, Coca-Cola USA will invest an estimated $100 million in a "Pop Music" program tied in with Sony Music.

Advertising will be an integral part of the summerlong effort, in which the Sony recording artists featured on compact disc giveaways might appear in TV commercials.

"Pop Music" will be backed by the "most comprehensive" ad campaign Coca-Cola has ever used to support a promotion, said Steve Koonin, director of entertainment marketing and national promotions.

"We are looking at using some of the artists involved in the promotion in our advertising," he said.



Coca-Cola Co. is giving away 5.6 million minicompact discs during its "Pop Music" summer promotion with Sony Music.

Pepsi-Cola Co. is also gearing up for a summer promotional blitz, which one source said involves a musical tie-in.

Gary Gerdemann, a Pepsi spokesman, wouldn't provide details, saying, "We traditionally do some great things during the summer, and this will be no exception."

Coca-Cola's promotion will offer 5.6 million minicompact discs inside specially marked multipacks of Coca-Cola Classic, Diet Coke and Sprite.

Nineteen acts star on four different CDs, which include music ranging from country to rap.

In addition to the CDs, some 100 million certificates redeemable for audiocassettes with $1 will be included in the multipacks. Every specially marked multipack will contain either a CD or certificate offer.

Fifty or so Sony acts are fea-

(Continued on Page 38)

CYNTHIA WATSON

McDonald's takes nip at supermarkets

By Scott Hume

Battling to rebuild domestic sales, McDonald's Corp. is signaling a willingness to take on supermarkets and convenience stores.

In one restaurant in Bloomington, Minn., the fast-food leader is testing McExtras, a refrigerated case containing such basic grocery items as milk, eggs, bread and margarine for sale at the counter or drive-through.

The feature is intended to meet the competition posed by convenience and grocery stores, both of which are increasing their sales of prepared foods and which now account for more than 20% of the takeout market.

At the same time, McDonald's is protecting its flank in the restaurant industry by opening the first of several planned double drive-through restaurants.

The unit, in Raleigh, N.C., is less expensive to build and operate than a standard McDonald's, has no counter or seating and sells a limited menu through two tandem drive-through windows on the same side of a preparation/cashier building.

The double drive-through concept has already caught the eye of fast-food rivals

"McDonald's really has always thought of the competition as anyone who sells food. They're looking to . . . get a greater share of the overall food dollar. . . ."

PepsiCo, whose Taco Bell subsidiary bought the Hot'n Now chain, and Arby's, which acquired the Daddy-O's Express Drive-Thru chain as a second concept for its franchisees.

Both tests represent possible solutions to some of the problems faced by McDonald's, which has seen domestic real per-store sales

(Continued on Page 38)

LAST MINUTE NEWS

Next seeks shop

REDWOOD CITY, Calif.—Next Inc. plans to conduct a review after Ammirati & Puris, New York, resigned the computer workstation marketer's $2 million-plus account. Ammirati cited a conflict with Nikon's electronic imaging technology. The agency picked up Nikon's $12 million to $15 million account in December.

Wella goes with BBDO

DARMSTADT, Germany—Wella named BBDO Europe to handle the haircare giant's consolidated $53 million pan-European account, BBDO executives said. Wella executives Friday wouldn't confirm the win, saying no contract has been signed yet. The business, to be consolidated gradually, had been split among several shops *(see earlier story on Page 22)*. BBDO is expected to have to resign two rival haircare accounts, Schwarzkopf's $15 million German account and the $20 million Alberto-Culver business in the U.K.

'Esquire' publisher leaves

NEW YORK—Hearst Corp.'s *Esquire* is looking for a new publisher following

(Continued on Page 8)

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Marketers welcome home troops from Persian Gulf

Page 4

State ad-tax threats grow P. 3 • **'Ad Age's' magazine of the year: 'Conde Nast Traveler'** after P. 20

The Standard In Quality.

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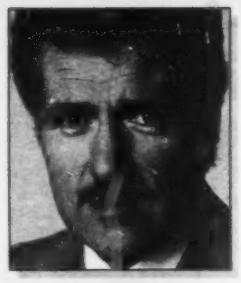

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NEWS SUMMARY

■ **Coca-Cola USA** will invest an estimated $100 million in a summerlong "Pop Music" program tied in with Sony Music. **1**

■ **McDonald's** is testing McExtras, a refrigerated case containing basic grocery items for sale at the in-store counter and at the drive-through. **1**

■ **Federal Communications Commission** will announce this week new regulations covering the right of networks to produce and sell their own programming. **1**

■ **Young & Rubicam** closed its TV production division. **3**

■ **Upfront TV buying** got off to an early start last week with deals involving syndicated children's programming. **3**

■ **Kraft General Foods** will be the exclusive food supplier in certain categories for American Airlines in-flight service, with plans for a yearlong merchandising program. **3**

■ **Ad taxes** are under consideration in at least six states, the American Advertising Federation said. **3**

■ **Car companies** and airlines are among many marketers making special offers to returning Gulf troops. **4**

■ **Network TV ad spending** was up 6% last year, but the top 10 advertisers increased spending by 14%, according to Broadcast Advertisers Reports. **4**

■ **Academy Awards telecast** on ABC-TV March 25 is expected to be a good showcase for advertisers because it airs just a month after the Persian Gulf War. **6**

■ **Newsweek** and Meredith Corp. have formed an ad sales partnership, with Kmart Corp. already signed on. **6**

■ **Dr. David Kessler,** new commissioner of the Food & Drug Administration, warned of a get-tough attitude toward drug advertising and promotion. **16**

■ **Host International** has begun a chain of Cheers bars, replicating the set of the hit NBC-TV show. **16**

■ **U.S. brewers** see new products as having the greatest growth potential, prompting a number of new labels. **16**

■ **Wella,** the world's No. 2 haircare marketer, is developing pan-European brands to compete with well-established rivals in the coming single European market. **22**

■ **Chiat/Day/Mojo** shuffled its management and cut down its staff and client list in Australia. **22**

■ **Cannes** ad film festival judging rules were changed to minimize lobbying and favoritism by judges and entrants. **31**

■ **Allure** magazine will get some fine-tuning, Conde Nast Publications said following mixed reviews of its premiere March issue. **35**

■ **CBS CEO Laurence Tisch** and his family plan to underwrite $7.8 million in Saatchi & Saatchi Co. stock. Some 200 Saatchi executives are also buying in. **39**

■ **Burger King** said it anticipates no agency changes following the resignation of its top marketing executive, but a number of agencies plan to pursue the business. **41**

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Marketers welcome home troops

Promos help say 'thanks'

An Advertising Age roundup

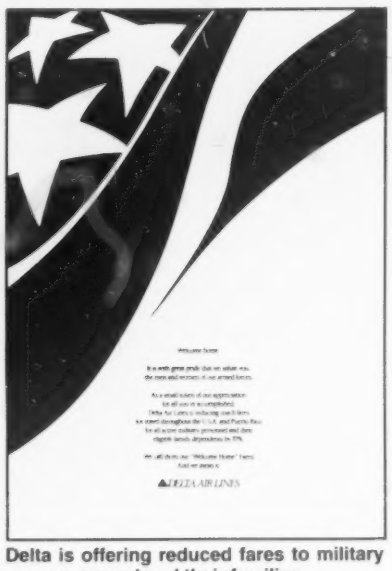
Airline, automobile and hotel marketers last week seized the lead in publicly welcoming U.S. troops home from the Persian Gulf and offering them free gifts and services.

Delta Air Lines was the first carrier to offer special 70% discount fares to all military personnel and their dependents, after which other airlines quickly matched the promotion.

Delta launched its "Welcome Home" fares to all active military personnel and their dependents. The offer provides round-trip travel at prices 70% below regular coach fares to more than 230 cities in the U.S., Hawaii, Alaska and Puerto Rico, through Sept. 30, 1991.

America West Airlines said it would give every military passenger on the carrier's charter flight home from Saudi Arabia two free round-trip tickets anywhere it flies in the U.S.

The airline is also offering special "Thanks" fares to all military personnel and their dependents at 70% discounts off regular prices. Continental Airlines went so far as to paint two 10-foot-high yellow ribbons on two Boeing 747 jets used to transport service members back from Operation Desert Storm. The airline is also offering the 70% discounts on its "Yellow Ribbon" fares.



Delta is offering reduced fares to military personnel and their families. . . .

Trans World Airlines matched the special military promotion with its "Yellow Ribbon-Patriot" fares.

United Airlines offered families the discounts of up to 70% off coach fares on continental U.S. flights.

United last week also announced it would extend a continental U.S. 70% discount for military personnel to Hawaii as part of a program with the state of Hawaii to boost Hawaiian tourism.

Northwest Airlines, along with the 70% U.S. fare cuts, is offering a 25% discount to families and friends of servicemen on travel to Frankfurt to meet with loved ones.

Marketers are putting out the welcome mat for U.S. troops returning from the Persian Gulf. Soldiers will find deals on airfares, cars and hotel stays.

The automakers aren't far behind the airlines in honoring the troops.

General Motors Corp. is exploring a number of special programs to honor returning GM employees, and U.S. servicemen generally. One report, later denied, had the company offering a special purchase incentive for its 350 reservists called to active duty during the Gulf crisis.

Also, GM and the United Auto Workers are jointly sponsoring a TV commercial saluting U.S. troops, and the men and women of GM and the UAW who were called to military duty during the Middle East crisis.

The 30-second spot, which will air in a total of 20 markets through March 23, broke last week in Detroit.

Ford Motor Co. is offering all U.S. servicemen and women on active duty in any branch of the military worldwide a discount on any 1990-1992 Ford and Mercury-branded vehicles. It's not limited to those who served in the Persian Gulf, a Ford spokesman said.

The discount—4% above dealer cost—also is being offered to immediate families of those on active duty in the military. The program runs from March 1 to Dec. 31. Those who qualify for the discount, but purchased cars before the program became known to dealers, will get a rebate check equal to the price difference, the spokesman said.

"We estimate that there are ~ million military people who qualify for this," he added. "This is Ford's way of saying thanks for a job well done."

Chrysler Corp. last December began offering $500 rebates to servicemen and women serving in the Gulf and their families. Chrysler is running that program through May.

Toyota Motor Sales USA doesn't have any corporate promotions to returning military personnel, but local dealers have their own programs. One Georgia dealer created a Valued Military Personnel program, which gives a 15% discount on parts, service and rental cars to members of the armed forces and their families.

Hotels aren't far behind other marketers in the postwar scramble.

Sheraton Corp. is offering a weekend night stay in the continental U.S. to U.S. military personnel returning from the Gulf war. The "Sheraton R&R Weekend Night" offer is valid April 12 through March 8, 1992.

A "major marketing promotion" for the troops was set to be implemented today by Hilton Hotels Corp. but was only in its "formative stages" by midmorning Friday, said James Boyd, media relations coordinator. He declined to divulge details.

Westin Hotels & Resorts is giving a 75% discount to all military personnel at the Walt Disney World Swan hotel after concluding it would be difficult to sort out only troops returning from the Persian Gulf, said David Jimenez, a Westin spokesman.

WELCOME HOME
This one's on us.
Many of the military personnel serving in the Persian Gulf have left vehicles standing at home for six months or more. Those cars and light trucks now may need an oil change.
As a measure of our pride in America,
we will change the oil, provide a new filter and lubrication service,
free of charge,
at one of our 1550 Firestone Tire & Service Centers.
Just call your neighborhood Firestone Store
for an appointment by December 31, 1991.
Again, WELCOME HOME!
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. . . While Firestone is offering free services for the autos they left behind.

Disney will offer free admission to each returning veteran and a guest at Disneyland and Disney World's Magic Kingdom through Veterans' Day, Nov. 11, as well as discounted resort packages at Disney World.

Disney is promoting the offers through military bases.

In addition, Disney World's daily Zip-a-Dee Doo-Dah parade will soon be led by a new, patriotic float. The park in May will begin staging several patriotic shows, including red, white and blue fireworks.

Marriott Corp. is continuing a program it announced Feb. 19 to provide free hotel rooms for the families of U.S. servicemen and women injured in the war.

Marriott will continue the project at

(Continued on Page 8)

Top TV advertisers beef up spending

By Joe Mandese

NEW YORK—The top 10 network TV advertisers increased total spending by 14% last year to about $3.2 billion, according to new data from Arbitron Co.'s Broadcast Advertisers Reports.

The increase from 1989 figures came during a year when total network ad spending increased only 6%, indicating a consolidation of spending power among the top 10.

The data also showed the top 10 increased their share of network TV ad spending by 2.2 percentage points to 31.4% of the $10.2 billion spent by all advertisers.

That consolidation of buying clout is noteworthy because the number of marketers using network TV actually increased 4.3% to 633 in 1990. That number had been declining since 1986.

The leading network TV advertiser, General Motors Corp., outpaced the medium's growth average by raising its outlays 18% to $598.4 million.

That put GM at nearly a 6% share of all network spending. Not far behind was No. 2 Procter & Gamble Co., which boosted its network budget 24% to $557.6 million.

AT&T Co. posted the biggest increase of a top network advertiser—up 51% to $244.9 million, largely due to a 53.8% increase in prime-time spending to $157.6 million and a 470.5% increase in daytime to $13.6 million.

GM increased spending in prime time by 18.5% to $417.1 million and in daytime by 99.1% to $20.9 million.

P&G, the No. 1 daytime advertiser, hiked daytime spending 11.1% to $190.2 million but boosted primetime spending 28.5% to $287.0 million and Saturday/Sunday daytime 109.2% to $31.2 million.

The most notable declines in network TV were Unilever U.S., down 14% to $162.9 million, and Anheuser-Busch Cos., down 29% to $129 million. The companies ranked No. 15 and No. 19, respectively, in network advertising.

Both Warner-Lambert Co. (No. 24) and Coca-Cola Co. (No. 25) were down 10%, to $91.1 million and $88.9 million, respectively, but each company appreciably increased spending in national syndication and national spot TV.

Warner-Lambert boosted syndication 96% to $48.4 million and its spot TV 52% to $35.9 million.

Coca-Cola raised syndication 85% to $34.1 million and spot TV 10% to $75 million. □

Network TV's top advertisers

The top 25 in spending for 1990.

Rank	Company	Spending (millions)	% chg from '89
1	General Motors Corp.	$598.4	18.1
2	Procter & Gamble Co.*	$557.6	24.4
3	Philip Morris Cos.	$402.2	9.1
4	Kellogg Co.	$301.3	(7.2)
5	AT&T Co.	$244.9	50.5
6	Sears, Roebuck & Co.	$244.6	30.5
7	McDonald's Corp.	$231.0	(8.4)
8	Johnson & Johnson	$211.4	24.4
9	Ford Motor Co.	$196.9	(2.2)
10	PepsiCo	$193.4	14.6
11	Chrysler Corp.	$190.0	35.2
12	Grand Metropolitan	$183.1	23.5
13	Toyota Motor Sales Co.	$170.9	54.2
14	Kohlberg Kravis Roberts & Co.†	$168.3	1.1
15	Unilever U.S.*	$162.9	(14.3)
16	American Home Products*	$150.5	(3.7)
17	General Mills	$142.9	(1.5)
18	Bristol-Myers Squibb Co.	$130.2	(2.7)
19	Anheuser-Busch Cos.	$129.0	(28.9)
20	Nissan Motor Corp.	$125.8	71.3
21	Honda Motor Co.	$119.0	(17.8)
22	Eastman Kodak Co.	$116.5	(15.3)
23	Nestle SA*	$98.0	8.9
24	Warner-Lambert Co.	$91.1	(9.6)
25	Coca-Cola Co.	$88.9	(10.1)

Biggest advertisers by category.

Category	Spending (millions)	% chg from '89
Automotive	$1,781.3	19.5
Food & food products	$1,704.0	1.1
Toiletries & toilet goods	$943.6	11.1
Proprietary medicines	$816.8	6.5
Consumer ser[illegible]	$524.9	20.2
Confectionery & [illegible]ft drinks	$407.1	(7.5)
Soaps, cleansers & polishes	$317.0	(0.5)
Beer & wine	$293.5	(19.3)
Apparel, footwear & accessories	$276.8	3.0
Household equipment & supplies	$244.7	(3.0)
Insurance	$172.4	9.3
Miscellaneous	$151.3	6.0
Computers, office equip. & stationery	$149.2	(6.2)
Travel, hotels & resorts outside U.S.	$146.2	(13.6)
Sporting goods & toys	$137.6	9.2
Jewelry, optical goods & cameras	$127.4	14.7
Pet foods & supplies	$104.1	(22.3)
Home electronics equipment	$85.0	51.5
Building materials, equip. & fixtures	$72.3	(13.6)
Freight & industrial development	$55.3	(1.9)
Household furnishings	$52.6	(25.6)
Gasoline, lubricants & other fuels	$38.9	1.8
Horticulture	$36.1	(6.2)
Publishing & media	$28.5	(53.5)
Religious, political & unions	$9.0	(14.8)

*1989 data adjusted to reflect mergers, acquisitions, divestitures in 1990. †Owner of RJR Nabisco.
Source: Television Bureau of Advertising from Arbitron data in the top 75 markets.

McExtras

(Continued from Page 1)
averages decline for 10 consecutive quarters, according to Prudential Securities.

Those problems include the growth of at-home eating, to which competitors such as Domino's Pizza and Pizza Hut are responding; increased takeout food sales at convenience and grocery stores; scarcity of prime sites for full-scale restaurants; and labor shortages in some markets.

"McDonald's really has always thought of the competition as anyone who sells food," but they're acting on that differently now, said Henry D'Auria, restaurant analyst at PaineWebber. "They're looking to see if they can get a greater share of the overall food dollar through their stores.

"The double drive-through test also is a way to see how you provide that convenient, prepared meal at the lowest cost. They're following where consumer dollars are going."

One part of McDonald's push to rebuild domestic sales has been its continual testing of a wide variety of possible new menu items. These include pizza (to counter pizza chains), submarine sandwiches (to meet the growth of Subway Sandwiches and others), McFish Fry and Fish & Chips (countering Long John Silver's, Captain D's Restaurant and others), and burritos and fajitas (in response to Taco Bell and Mexican dinnerhouses).

But other restaurants aren't McDonald's only competitors and may not be its toughest challenge.

McDonald's has proved it can respond to and often thwart the challenges restaurant rivals throw in its way, but convenience stores and supermarkets pose a different problem.

Restaurants account for the majority of the total market for prepared takeout foods, representing 78.1% of the $63.5 billion market in 1989, according to market researcher Find/SVP. But that's been dropping, from 80.4% in 1986. This year it's projected to hit 77.6%.

Gaining share at restaurants' expense are convenience stores (9.2%) and supermarkets (12.7%).

Find/SVP projects the takeout market will grow to $88.7 billion in 1994, and supermarkets' share will increase to 16.5% then, at the expense of restaurants.

With McExtras, McDonald's is testing whether it can recapture customers it may have been losing to those non-restaurant competitors.

At its counter or drive-through windows, customers can buy milk, eggs, yogurt, bread, buns or margarine, as well as standard fare. Those groceries are displayed inside the restaurant in a refrigerated case near cashiers. Indoor and outdoor signage promotes the feature as "Groceries on the go."

Co-op agency Carmichael Lynch, Minneapolis, created the collateral materials, but an undisclosed amount of McDonald's corporate marketing funds has been channeled to the store to underwrite the project.

McExtras was added to the store in late January.

"This is really in its infancy. It hardly even qualifies as a test," said Joe Talcott, VP-management supervisor at Carmichael Lynch. The idea, he said, is that customers "can order a Big Mac and a half-gallon of milk."

The restaurant McDonald's chose for the McExtras feature is flanked by a PDQ convenience store and Country Club Market grocery store.

The Raleigh double drive-through is 1,212 square feet, less than a third the size of the average 4,500-square-foot outlet, and requires a total staff of 35, compared with the average of 65.

The menu has been simplified, excluding salads, breakfast entrees such as pancakes and some other items.

What it does have is hot dogs, standard fare at many convenience stores, as well as other test items such as curly french fries (a big seller at Southeast rival Hardee's Food Systems).

Local radio and signage for that store are themed "Driving it home." Price/McNabb, Raleigh, handles.

"McDonald's corporate challenged each region to come up with a drive-through concept. We were the first to get ours built, but other regions will follow," said Bill Hooks, regional construction engineer for McDonald's.

Louisiana and Michigan could get the next units, he said. □

Bob Geiger contributed to this story.

Coke

(Continued from Page 1)
tured on the audiocassettes.

McCann-Erickson Worldwide, New York, the agency for Coca-Cola Classic, is handling ad support for "Pop Music," which Coca-Cola created in-house.

Mr. Koonin declined to disclose the overall budget for the promotion, but sources close to the company estimate it will cost about $100 million, with $20 million slated for media ad support.

The campaign ~~will~~ include cable and network TV, radio, print and point-of-purchase materials. The total effort will look as "fresh and hot" as the promotion itself, Mr. Koonin said.

TV support is set to break May 20.

The artists on the CDs, mostly up-and-comers, include Latin singer George LaMond, pop/soul artist Brenda K. Starr, Canadian pop singer Celine Dion, and Grammy Award-winners Shawn Colvin and Rosanne Cash.

Coca-Cola often uses music stars in its advertising. The company has featured country star Randy Travis, pop icon Elton John and teen group New Kids on the Block, to name a few.

The company said a music tie-in is a natural fit for Coca-Cola since music appeals to the youth market, the primary target for soft drinks and for No. 1 brand Coca-Cola Classic in particular.

"Pop Music" will follow Coca-Cola's highly controversial Magi-Can promotion of last summer. That promotion went sour when some of the cans containing cash and coupons malfunctioned.

"Pop Music" is the latest sign soft-drink marketers are moving away from price promotions, said Jesse Meyers, editor-publisher of *Beverage Digest*.

Value-added promotions "seem to be the new wave of soft-drink marketing," he said. "This is another value-added concept that is moving the industry away from reducing prices."

Mr. Meyers cited the failed Magi-Can promotion and Coca-Cola's "Toy Money" tie-in with Mattel as other examples of the trend.

"This is another value-added concept that is moving the industry away from reducing prices."

During "Pop Music," which runs from mid-May through July, one of every 19 specially marked multipacks will include a free 3-inch CD, which is compatible with most CD players. Each CD is a $4.99 value.

Coca-Cola said it would consider rolling out "Pop Music" abroad if it proves successful in the U.S.

Coca-Cola is the leader in the $46.6 billion U.S. soft-drink market with an estimated 41% share; No. 2 Pepsi-Cola has about 33%. □

Jon Lafayette contributed to this story.

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Upfront

(Continued from Page 3)
of the kids market.

"I think there is more talk than action going on," he said. But he added he had some deals "working."

"This business is so teeny that it could be a trickle of business today [March 7] and by Monday morning [March 11] it could be sold out," he said.

Whether the syndication activity will encourage early network kids business isn't clear; the networks won't announce their Saturday morning schedules until early April.

Even so, net executives were optimistic about the market overall.

"I can't say there's nothing going on," said Larry Hoffner, NBC exec VP-network sales. He said that last week he was in earnest discussions about early upfront deals with "nine to 12" clients.

Of the Big 3 networks, NBC appears the most eager to stir interest in upfront deals.

Over the past month, the network said it might reduce commercial inventory and that it was returning to the traditional audience guarantee system (AA, March 4).

But agency buyers said all the networks are open to discussing early deals, particularly in light of softness in the scatter market.

While second-quarter scatter rates have improved slightly over those in the first quarter, they still remain substantially below last year's upfront. Moreover, buyers report that the networks are continuing the unusual practice of guaranteeing scatter buys.

Both are signs of network weakness, and buyers believe now is the time to cut deals at potentially favorable prices rather than wait until late spring, the traditional time for the upfront market to move. □

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Another Travel Horror Story

With only 21.7% household penetration in affluent Orange County, Los Angeles newspapers are ineffective. The dominant newspaper? The Orange County Register, with 39.8% daily and 45.9% Sunday penetration. Source: ABC Publisher's Statement 9/30/90
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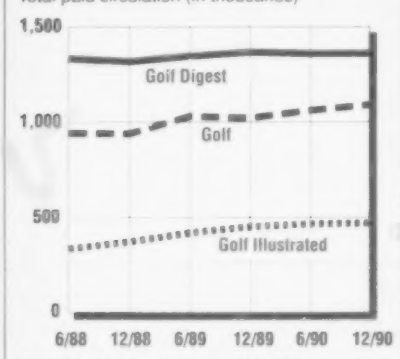
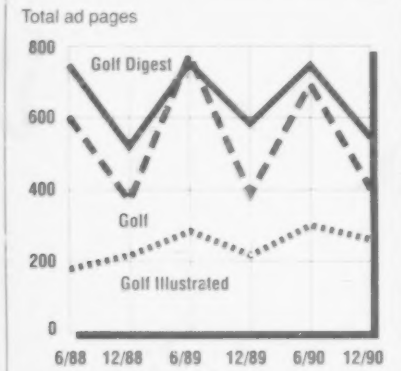
Hazards abound for golf books

Golf Illustrated has a way to go...



Source: Audit Bureau of Circulations' FAS-FAX reports

. . . but ad page share climbs



Source: Publishers Information Bureau

Advertising Age graph: John Smither

By Bill Carlino

SURVIVAL TECHNIQUES

Getting out of a recessionary sand trap will require an amazing bunker shot.

After being the only one of the three major golf magazines to record an ad-page increase last year, *Golf Illustrated* now finds itself in the gritty sands of the distressed 1991 economy.

To get onto—and into—the green, *Golf Illustrated* must win over media buyers who want reach from titles in this category and say they can get it in other golf books.

"We'll weather the storm," promises Publisher Ernest Renzulli. "It's going to be a decent year, but it's unfair to expect the same gains we've made in previous years."

Golf Illustrated, owned by Family Media, emphasizes player profiles and lifestyle features. The other two books, *Golf* and *Golf Digest*, cover all aspects of the game, including playing tips, travel, news and equipment.

According to Publishers Information Bureau, *Golf Illustrated* recorded almost 559 ad pages in 1990, an 11.8% increase over the prior year. Although *Golf* and *Golf Digest* ran about twice as many ad pages, the books reported ad page drops of 5.9% and 3.4% in 1990, respectively.

Gains in secondary ad categories drove *Golf Illustrated's* increase.

"We broke a number of new ad categories in 1990 including financial services and liquor," says Mr. Renzulli.

He attributes *Golf Illustrated's* success so far to being "a viable alternative both editorially and from a price standpoint," to *Golf* and *Golf Digest*.

"When you're going against two formidable books, the smaller kid can't go in with a parity situation regarding out-of-pocket and [costs-per-thousand]," he says.

Currently, a one-time color page in *Golf Illustrated* costs $19,345, compared with $59,160 in *Golf Digest* and $46,235 in *Golf*. In addition, *Golf Illustrated's* CPM of $38.69 undercuts *Golf Digest's* $43.82 and *Golf's* $44.03.

Although Mr. Renzulli claims *Golf Illustrated's* lower out-of-pocket cost enables economy-minded advertisers to buy space in a national publication, buyers are quick to note the differences in the books' circulations.

Golf Illustrated's circulation stands at 470,027, a 4.2% hike from one year ago. However, it lags far behind *Golf Digest's* almost 1.4 million readers and *Golf's* more than 1 million.

Ernest Renzulli

As a result, some buyers consider *Golf Illustrated* the third book in a three-title field. This perception could jeopardize the gains made in new ad categories.

"Ad pages tend not to be the best overall judge of the health of a publication," says Irving Plonskier, supervisor of print services for Young & Rubicam, New York. Y&R has placed several non-golf advertisers, such as Holiday Inn and AT&T Co.'s long-distance service, in varying degrees in the three golf books. "You also have to consider reach."

Not only are lifestyle advertisers starting to emphasize reach, but so are marketers of golf equipment, the biggest ad category in *Golf Illustrated*.

"The lifestyle slant of *Golf Illustrated* gives advertisers a unique point of difference when compared to the how-to approach of *Golf* and *Golf Digest*," says Debbie Lisa-Brown, associate media director at N W Ayer, New York, which handles sporting goods marketer Dunlop Slazenger Corp.

But because of its smaller reach, "it's still perceived as the third book in a three-book category," she says. "In this economy, there's a chance that might mean some type of slowdown on ad pages."

What's more, golf equipment companies are holding huge amounts of unsold inventory and have reined in their ad expenditures. In 1990, *Golf Illustrated's* 248 pages of golf equipment advertising was down 1.8% from the year before, according to PIB. Its 1989 tally of almost 253 pages represented a 68% increase from 1988. The other golf titles showed similar 1990 results and had gains in this category of about 16% in 1989.

But Mr. Renzulli says, "Golf fanatics are still buying clubs and other game-related products. That's the core market all three titles are after."

Another potential future problem concerns *Golf Illustrated's* ownership. Parent company Family Media has put the title up for sale, and the "black book" of financial information on the publication reportedly does not include an asking price. This allows potential owners to make an offer for *Golf Illustrated* (AA, Jan. 21). Mr. Renzulli admits *Golf Illustrated* could be sold but declined to comment further.

Despite the concerns, *Golf Illustrated* is working to increase its appeal to advertisers. The book still is banking on its existing promotion programs: the Grand Slam discount package; a five-ads-for-the-price-of-four program; and specialty columns on restaurant reviews, game psychology, exercise and nutrition. For 1991, Mr. Renzulli promises more advertiser packages.

To drive circulation, *Golf Illustrated* recently began buying time during televised tournaments on ESPN. The book also implemented a subscription package where each potential reader is mailed two free issues and allowed to subscribe.

But whether these moves will satisfy buyers who want reach from this magazine category remains to be seen.

"*Golf Illustrated* is a great book, but media buyers may feel that the money doesn't go as far," Ms. Lisa-Brown says. □

Bill Carlino is a free-lance writer based in Bronxville, N.Y.

OUT OF LEFT FIELD

Mistress of the low-brow magazine

Catherine Hughes is the tres chic *editor of* Chicago Weekly *magazine, featured in the recently resurrected ABC-TV series "Anything but Love." She runs the magazine's newsroom with a tight, if erratic, jewelry-jangling fist. She talked with* Advertising Age's *Marcy Magiera about the influences on her career and the tough times facing the magazine industry.*

Advertising Age: *How did you become interested in the magazine business?*

Ms. Hughes: It's in my genes. I always thought I should be the daughter of Donald Hollinger and Ann Marie [the main characters, played by Ted Bessell and Marlo Thomas, in ABC's 1960s series "That Girl"]. I'd have my father's passion for journalism and my mother's passion for clothes.

AA: *Do you have any role models?*

Ms. Hughes: Joseph Stalin, because he knew how to keep people in line, and Daffy Duck, because it's so important to inject humor into the workplace. Diana Vreeland, of course, and Kay Thompson, in that scene at the beginning of "Funny Face" where she sings "Think Pink." Though I hate pink . . . and Julie Newmar as Catwoman.

AA: *What magazines do you read?*

Ms. Hughes: Specialty magazines. *Soldier of Fortune* and *Highlights for Children*. But *Barbie* magazine is my absolute favorite on the face of the Earth. Because they teach you how to target a demographic, and that's what it's all about, isn't it?

AA: *Are you concerned about the demise of other hip, upscale magazines, such as* Egg *and* Wigwag?

Capital Cities ABC

Catherine Hughes (a.k.a. actress Ann Magnuson)

Ms. Hughes: [That's] less competition for me. . . . I'm just so upset the *National Enquirer* scooped us on Saddam Hussein's evil sex life. How he murders his young lovers and his passion for "Little House on the Prairie."

AA: *Do you have a strategy for* Chicago Weekly *to ride out the current recession?*

Ms. Hughes: It's important to put enough low-brow stuff in [a successful magazine]. Magazines are not for reading. You have to master the fine art of skimming to succeed in the magazine business.

AA: *Did you skip the Paris fashion shows last month because of potential terrorist activity sparked by the Persian Gulf War?*

Ms. Hughes: No. There's nothing I like better than to be one of six people on a jumbo jet. I can pretend I'm on Air Force One.

AA: *It seems that every week there's a new magazine coming out in a video format. Can you envision a video version of* Chicago Weekly?

Ms. Hughes: Oh yes, that would be great. We'd have to get the Japanese involved with that.

AA: *What would you be doing if you weren't a magazine editor?*

Ms. Hughes: I'd probably be running [apparel marketer] Norma Kamali. Or I'd be part of Madonna's think tank. □

Catherine Hughes is played by actress, singer and writer Ann Magnuson. She's currently touring Europe with her band, Bongwater.

Gone but not forgotten

After three straight annual ad-page increases, the magazine industry took a turn for the worse in 1990. Publishers Information Bureau reports ad pages of the titles it tracks fell 3.7% in 1990, compared with the year before.

The ad drought also felled a suprisingly high number of magazines. It's not just the weak sisters that have suffered, either. Some of these titles made the *Advertising Age* 300, our ranking of the leading revenue-generating publications, and several with critically acclaimed editorial or substantial circulations have fallen.

A partial list of titles that ceased publishing in 1990 and so far in 1991 follows.

Title	Year founded	Latest circulation
Business Month	1893	453,620 †
Psychology Today	1967	887,770 †
Mother Earth News	1970	703,153 †
Dossier	1975	44,204
Personal Computing	1976	487,702 †
Beauty	1979	295,513
Cook's	1979	210,111
Savvy Woman	1979	451,933 †
The Virginian	1979	29,989
Woman	1980	582,070 †
MIS Week	1980	125,200 †
New England Monthly	1984	120,112
Washington (state)	1984	63,508
Southpoint	1986	256,395
Taxi	1986	250,000 *
Memories	1987	450,000 *
Chicago Times	1987	50,000 *
Model	1988	450,000 *
Fame	1988	212,131
7 Days	1988	75,000 *
Long Island Monthly	1988	70,000 *
PhillySport	1988	40,514
Moxie	1989	350,000 *
Men's Life	1989	250,000 *
Smart	1989	250,000 *
Wigwag	1989	68,149
SportBoston	1989	50,000 *
Neon	1989	50,000 *
Business Week Assets	1990	500,000 *
Egg	1990	80,000 *

† Listed among *Advertising Age's* Top 300 Magazines *Latest guaranteed rate base

Sources: SRDS Consumer Magazine and Business Publications rates and data guides; Audit Bureau of Circulations; *Advertising Age*.

Advertising Age graph: Kimberly Mart

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NEWSPAPER

Advertising Age

March 18, 1991

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New campaign to tell HHCC's fate at Reebok

By Pat Sloan

Hill, Holliday, Connors, Cosmopulos will soon present an image campaign to client Reebok International that could determine if the Boston shop keeps what it has left of the $70 million account.

The creative presentation, expected within the next two weeks, is a make or break effort for Hill Holliday; if the agency fails, the athletic shoe account could be split between Lois/GGK and Chiat/Day/Mojo, both in New York, say sources close to Reebok.

Lois/GGK now handles part of Reebok's campaign for its Pump athletic shoe. Chiat has Reebok's international business and Weeboks toddlers' shoes.

The sources also said if Hill Holliday loses the business, Reebok could give more projects to Lois/GGK, Chiat or other shops rather than officially splitting the account.

A Reebok spokeswoman would only say Hill Holliday is the company's U.S. agency of record.

Hill Holliday CEO Jack Connors said he wasn't

(Continued on Page 55)

Can Burnett lift Lite?

Miller moves account as brand hits middle age

By Ira Teinowitz

Miller Lite, the wonder of the 1970s that created the light beer market, faces a midlife crisis longtime ad agency Backer Spielvogel Bates apparently couldn't handle.

Miller Brewing Co. last week moved the brand, which may top $75 million in media spending this year, to Leo Burnett USA, Chicago—a plum though not easy assignment.

New York-based Backer had handled Lite since the agency's founding in 1979.

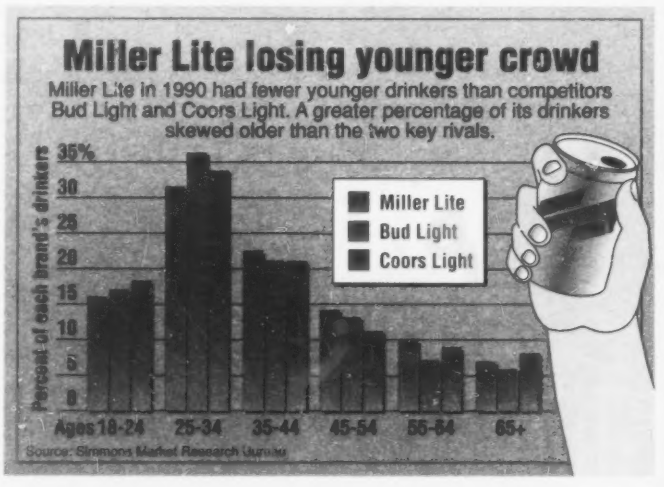
■ Rick Fizdale keeps Burnett on course—P. 54.
■ Spielvogel ready to make changes—P. 55.

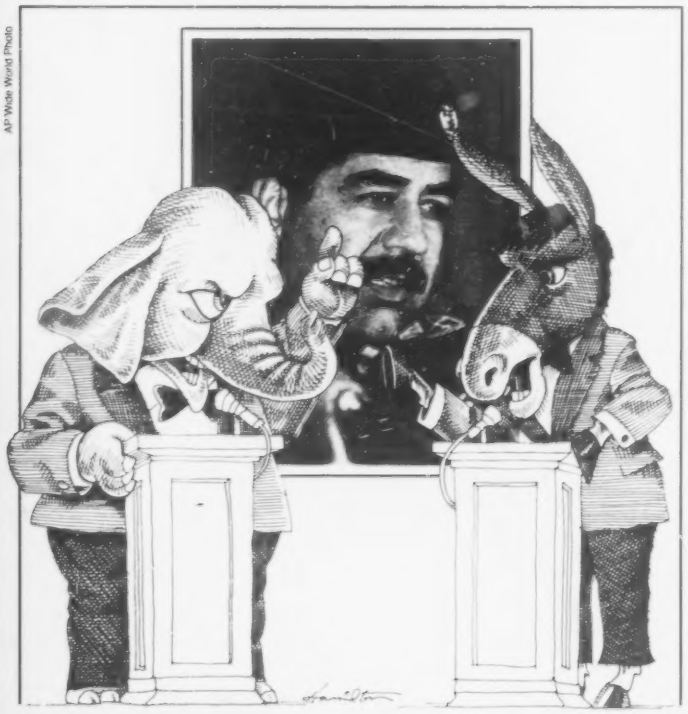
The problems for Miller Lite, still the nation's No. 2 beer, are that the average age of its drinkers has risen, and it seems to have lost much of its growth while light beers generally are booming.

Further, the brand has lost the distinctive identity it had when its reduced-calories character was the ground-breaker and a far cry from heavier beers.

To make matters worse for Burnett, reviving Lite will have to be done without risking Miller's own fast-growing brews—Miller Genuine Draft and new Genuine Draft

(Continued on Page 54)





AP Wide World Photo

Political war ads are in the works for '92

By Steven W. Colford

"Some of our finest young men and women lost their lives on that battlefield. Was their blood shed so Republicans would have something to talk about in television political commercials?"

—U.S. Sen. Albert Gore Jr. (D., Tenn.), March 6, 1991

It's about 20 months before the 1992 elections, and the answer to Sen. Gore's question appears to be yes.

Practically from the moment President Bush called off the allies in the Persian Gulf, talk of the hay that could be made from the stunning victory was rampant in political circles.

Could Saddam Hussein and the war become the Willie Horton of 1992?

Republican political consultant Mike Murphy said he's using footage of bruised and swollen U.S. prisoners of war in some generic TV commercials for focus-group testing. Mr. Murphy said he will put together three 30-second commercials with war-related footage bought from the networks and test them in a few weeks.

"My gut tells me [war ads] will play, it's just a question of how to present them."

"The environment for testing now is still too hot," he said. "Maybe we'll test them in May. We'll feel around with the focus group to find the best way to present these messages in a campaign context."

Two of Washington-based Mike Murphy Media's U.S. Senate clients, neither of whom Mr. Murphy would identify, already had expressed interest in using war ads in their 1992 campaigns.

"My gut tells me these will play, it's just a question of how to present them," he said.

Mr. Murphy's past campaigns include Republican Sen. Jesse Helms' nasty 1984 re-election victory over North Carolina Gov. Jim Hunt, a Democrat.

"It's a very legitimate issue,"

(Continued on Page 52)

LAST MINUTE NEWS

Playboy mulls launch

NEW YORK—Playboy Enterprises is exploring the launch of a U.S. edition of *Max*, a young men's lifestyle magazine, through a joint venture or licensing agreement with Italian publisher Rizzoli. Rebecca Darwin, former publisher of Conde Nast Publications' now-defunct *Woman*, is acting as a consultant and will likely serve as publisher. An oversize monthly, *Max* is published in Italy, France, Germany and Greece. "It is one of many things we are looking into," said Playboy VP-Public Relations Cindy Rakowitz.

Taco Bell tests 39¢ menu

IRVINE, Calif.—Taco Bell is testing a 39¢ Fiesta Menu with a snack-size taco, soft taco, bean burrito and tostada in Los Angeles, Dallas and Oklahoma City. The move tests Taco Bell's effort to hold its position as the value leader in fast-food. TV spots from Foote, Cone & Belding, San Francisco, support.

BMW seeks central strategy

MUNICH—BMW has asked its agencies in core markets—Germany, the U.K., Italy and the U.S.—to create harmonized campaigns for certain car

(Continued on Page 8)

INSIDE

Ad Age unveils 1990's best TV spots —Page 24

The Best Awards 1990

One-on-one: William Ziff P. 6 • **Yellow Pages Special Report** after P. 38 • **Data bases grow** P. 39

A VOICE OF THE TIMES

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THE ATLANTIC has been described as the nation's dining-room table—a place where business people, scientists, politicians, teachers, writers, members of the clergy, the military, Republicans, and Democrats can regularly hear one another speak.

The voices are often eloquent, the subjects are wide-ranging, but most important of all is who's listening.

All of this explains why more and more of you are coming to the table with your advertising messages.

THE ATLANTIC is a voice of the times—and a great place to be heard.

The Atlantic

For information call Jayne Young, Associate Publisher (212) 326-5311

NEWS SUMMARY

■ **Miller Brewing Co.** moved its Miller Lite brand to Leo Burnett USA from Backer Spielvogel Bates. 1

■ **Republican** campaign advisers are already examining Gulf war footage for use in 1992 election races. 1

■ **Hill, Holliday,** Connors, Cosmopulos is preparing an image campaign for Reebok International that may determine whether the agency keeps its portion of the account. 1

■ **Federal Communications** Commission proposed new rules governing 900 number calls. 3

■ **Six Flags Corp.** hired McCann-Erickson to create a national brand identity for its seven amusement parks. 3

■ **Magazine ad pages** in February fell 7.5%. 3

■ **Robert Maxwell,** taking over the New York *Daily News*, said he's confident he can win back advertisers. 3

■ **Sears** broke new ads for its Discover card highlighting its unique features. 4

■ **Coors,** responding to complaints, modified its "Rocky Mountain spring waters" slogan. 4

■ **Yugoslavia** may gain new media opportunities as a result of the current political unrest. 6

■ **Media groups** expressed concern over the Four A's new position on media payment liability. 6

■ **Federal Trade Commission** said it will hold hearings on environmental marketing guidelines proposed by marketers and trade groups. 12

■ **American Tobacco Co.** is rolling out Bull Durham, a low-price cigarette, after testing in California. 16

■ **Clorox Co.** is market-testing a line of frozen entrees under the Hidden Valley name. 17

■ **Peter Diamandis** said Donnelley Marketing's massive data base is a key to his future plans for the company, which his investor group purchased. 20

■ **St. Louis Post-Dispatch** launched a $1 million campaign to attract young adult readers. 20

■ **Promotion agencies** have yet to see increased business expected from marketers reducing in-house staffs. 40

■ **Couponing** through free standing inserts was up 3.3% last year, but redemptions dropped to 2.3% from 2.9%. 41

■ **Nestle USA** will likely look for a major acquisition following its reorganization, an analyst said. 48

■ **Volvo's** first ads from new agency, Messner Vetere Berger Carey Schmetterer will be retail-oriented. 50

■ **Video Software** Dealers Association is looking for an agency to handle a campaign promoting home video. 50

■ **Sudafed** should bounce back from market share loss following cyanide tampering incidents, observers said. 53

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Shielded from recession

Can a local medium make it nationally?

By Monte Williams

When recently shopping for a clown to amuse tots at her daughter's first birthday party, Rainey Shabazz reached for the Queens Nynex Yellow Pages.

The 32-year-old homemaker, a mother of two from Jamaica, Queens, dialed four or five numbers under the "Entertainers" heading to locate the cheapest clown in town.

Ms. Shabazz didn't always research purchases so carefully.

"Three years ago, when I was planning a party for my oldest daughter, I just got out the Yellow Pages and hired the first clown in the book," she says. The sluggish economy triggered Ms. Shabazz's metamorphosis from spendthrift to bargain-hunter.

Some Yellow Pages proponents say the newfound budget awareness of consumers such as Ms. Shabazz partly explains the staying power of directories during hard times.

"During a recession, the Yellow Pages becomes a tool to save both time and money," asserts Mary MacDonald, managing director-ceo of the Yellow Pages division at D'Arcy Masius Benton & Bowles, Chicago.

"Take fluctuating gas prices. People will pull out the Yellow Pages and call different gas stations to find out what prices are on a given day instead of getting into their cars and driving 20 miles [to find the lowest-priced gasoline] in the area," she says.

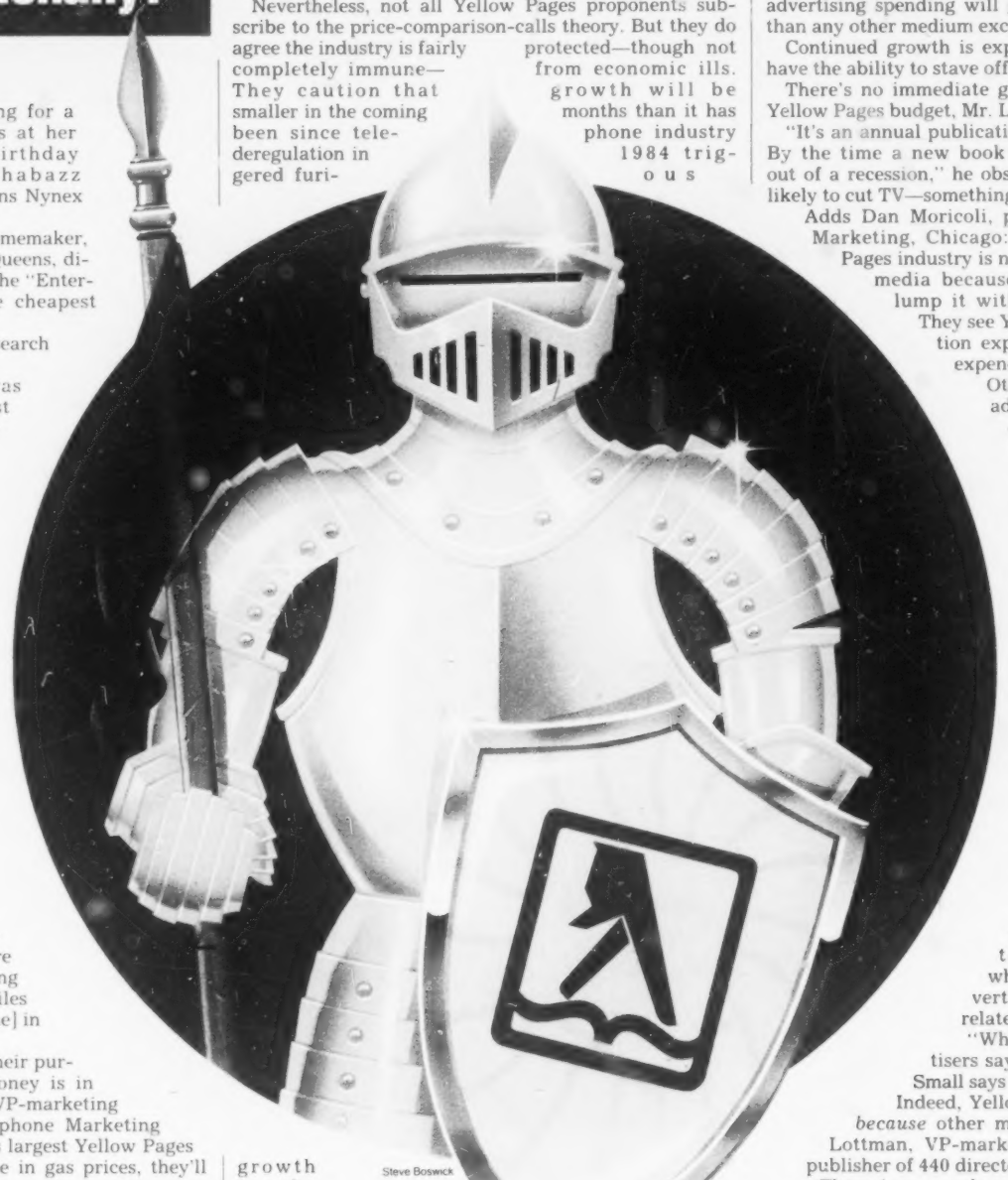
"Consumers tend to research their purchases more carefully when money is in short supply," says Bob Lamb, VP-marketing and strategic planning at Telephone Marketing Programs, one of the the nation's largest Yellow Pages agencies. "And with the increase in gas prices, they'll call first," he predicts.

In an exclusive *Advertising Age*/Gallup Organization poll, comparison shopping was given as the No. 1 reason consumers consult the Yellow Pages *(see P. S-6)*.

Forty percent of those surveyed said they use the Yellow Pages for comparison shopping. Another 32% said they use the Yellow Pages to find the closest business to their residence; 10% said they use it to find out store hours; and 6% say they use it for the local maps and street guides.

Five percent say they use Yellow Pages for any and all of the above reasons; another 6% said none of these reasons; 1% said they didn't know.

Nevertheless, not all Yellow Pages proponents subscribe to the price-comparison-calls theory. But they do agree the industry is fairly protected—though not completely immune—from economic ills. They caution that growth will be smaller in the coming months than it has been since telephone industry deregulation in 1984 triggered furious growth in the directory business.



Steve Boswick

"The Yellow Pages industry is somewhat recession-proof, but we've already been nipped here and there," Ms. MacDonald concedes.

"We've felt the economic downturn in New York City and Chicago [among the cities hardest hit by the recession], but less so in upstate New York and other areas of Illinois," adds Ken Johnson, president of Donnelley Directory. "In Las Vegas, Nev., central Florida and Cincinnati, we've had outstanding sales."

Few advertisers are likely to yank their ads from the Yellow Pages during a recession, Mr. Johnson says.

But the industry is jostled when marginal mom-and-pop operations hang up the "Going out of business" sign. And ad growth is stunted when fewer people open businesses, he observes, which is the case nowadays because of reductions in federal and private funding for start-ups. Those shopowner wannabes would have been Yellow Pages advertisers, he says.

Still, most industry insiders say the ad growth rate of Yellow Pages, which has recently exceeded other media, will continue to outpace newspapers, magazines and TV in the coming months.

Yellow Pages ad revenues leaped to $8.3 billion in 1989, a 6.4% increase from 1988, according to Yellow Pages Publishers Association. Directory revenues for 1990 should reach a projected $8.8 billion, a 6% jump over 1989, YPPA reports.

McCann-Erickson Worldwide predicts Yellow Pages advertising spending will grow by 6.6% in 1991, more than any other medium except direct mail.

Continued growth is expected because Yellow Pages have the ability to stave off the recessionary pinch.

There's no immediate gratification in cutting one's Yellow Pages budget, Mr. Lamb says.

"It's an annual publication with months of lead time. By the time a new book is published, we're in and out of a recession," he observes. "Advertisers are more likely to cut TV—something they can feel right away."

Adds Dan Moricoli, president of Grey Directory Marketing, Chicago: "Traditionally the Yellow Pages industry is not impacted as much as other media because advertisers don't tend to lump it with their advertising budget. They see Yellow Pages as a communication expenditure, not an advertising expenditure."

Others note the industry's core advertisers are service providers—plumbers, florists, beauty parlors, for instance—not retailers, such as large department stores, which have been hardest hit by the economic slowdown.

"Eighty-eight percent of Yellow Pages advertising revenue is locally generated," says Larry Small, YPPA's VP-marketing. "For some mom-and-pop businesses, the Yellow Pages is their only source of advertising. They aren't likely to pull out."

Though publishers' core advertisers are safe, some predict the recession will quash the industry's high hopes of attracting more national brand advertising through BrandSell, which offers package-goods advertisers product exclusivity in related categories.

"When times are tough, advertisers say 'No way' to new ideas," Mr. Small says *(see related story on P. S-2)*.

Indeed, Yellow Pages will do well in part *because* other media do poorly, claims Don Lottman, VP-marketing of Southwestern Bell, publisher of 440 directories.

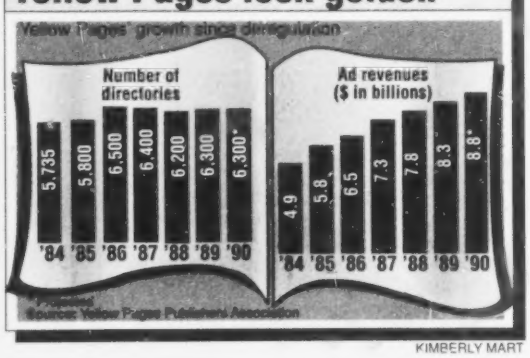
"There is so much media fragmentation, with direct mail, new magazines, cable TV," he says.

Moreover, directories deliver a different type of customer, Mr. Lamb notes.

"We're a directional medium, not a creative medium," he observes. "People who pick up the Yellow Pages already want to buy something. The Yellow Pages helps them decide who to spend their money with." □

Monte Williams is a free-lance writer based in New York.

Yellow Pages look golden



KIMBERLY MART

INSIDE

REVIEWING STAND

Who uses Yellow Pages?

Advertisers have raised a lot of questions concerning Yellow Pages research and consumers' use of them. The lack of such information has often been cited as a reason more non-traditional Yellow Pages advertisers don't consider the medium in their buys.

AD AGE GALLUP SURVEY

To help research-seeking advertisers, *Advertising Age* commissioned Gallup Organization to ask consumers how many times a week they used the Yellow Pages. Their responses follow, reflected in averages and ranked in descending order.

Other highlights of our exclusive survey–detailing how specific consumer groups use the Yellow Pages and which types of Yellow Pages advertising they find most effective–appear on Page S-14.

Average number of times each week consumers use the Yellow Pages

Total weekly usage 2.96

By income

$50,000 and over	3.86
$30,000 to $49,999	3.27
$20,000 to $29,000	2.44
Less than $20,000	2.60

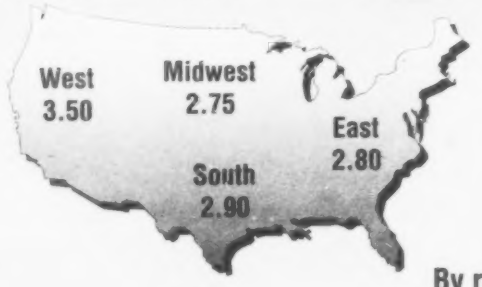
By age

1991	
18-34	3.52
35-54	3.29
55+	1.47

By marital status

Single	3.56
Married	2.78
Widowed	0.97

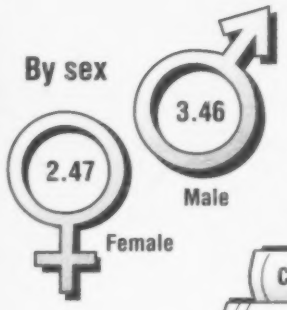
By geographic location



By race

White	3.10
Hispanic	2.35
Black	1.95
Other	1.92

By sex



By education

College grad	3.75
H.S. grad	3.00
Some college	2.66

By occupation

Self-employed	5.08
Sales	4.36
Clerical	3.31
Service	3.29
Trade	3.17
Professional/management	2.79
Labor	2.45

John Doe
Week ending 3/15/91

Note: Results are based on telephone surveys of 1,012 consumers in January. The margin of error is plus or minus 3.1.

Source: *Advertising Age*/Gallup Organization **Advertising Age graph:** Cynthia Watson

Lack of research bursts national ad dream

Failure to implement intramedia studies holding back Yellow Pages publishers

By Patricia Strnad

The siren song of national advertising has smitten Yellow Pages publishers.

But national advertisers and their authorized selling representative (ASR) agencies have a problem listening to Yellow Pages publishers, citing the lack of third-party usage research as the medium's biggest sour note.

Such data, known as intramedia research, compare competing books and rate individual Yellow Pages directories on consumer usage.

But the need to boost national advertising is becoming acute for Yellow Pages. Local advertising, which accounted for 88% of Yellow Pages' 1989 revenue of $8.3 billion, is expected to flatten, forcing publishers to look elsewhere for revenues.

While five of the nine largest publishers subscribe to measurement services for some of their books, advertisers and Yellow Pages agencies are pushing for intramedia research industrywide —or at least in all major markets with competing directories.

The idea isn't new. Two years ago, a Yellow Pages Publishers Association task force acknowledged the merits of book-to-book comparisons but decided not to endorse such research industrywide, angering Yellow Pages advertisers.

"They're looking at it only from a publisher's perspective of how to make more money," says Marcia Greene, manager of telephone directory advertising at Roto-Rooter Services Co.

"If they want to be a credible ad medium, they need to look at providing the best product for their advertisers."

Without research, Ms. Greene says she has trouble knowing where to place ads.

"We have to spend our money wisely," she says. "The idea that advertisers have deep pockets can't continue forever."

One reason YPPA continues to give for not endorsing industrywide, intramedia research is that the number of competing markets is declining.

ASR agencies say that's true but not exactly a fair assessment. Before the breakup of AT&T Co. in 1984, publishers had monopolies in their markets. After divestiture, Bell companies and independents invaded one another's territories, resulting in explosive growth of directories.

Many directories have since failed and the industry has stabilized, but several major markets remain hotly competitive, agency executives say.

Also fueling YPPA's decision were concerns that such research would merely reallocate existing ad dollars rather than bring in additional revenue, says Larry Small, VP-marketing.

Instead, YPPA decided to move forward on syndicated intermedia research that compares and highlights the benefits of advertising in Yellow Pages vs. other media.

"The problem with that is other media start by measuring their own [usage] first," says Bettina Eichel, consumer research manager at Pacific Bell, which has subscribed to audience-measurement services for four years. "You really need a good measure of how much you're used before you can start comparing yourself to other media."

Mr. Small says many publishers still believe intramedia research won't bring in more ad revenue, but "the realities are, without that type of syndicated research, there's the possibility of market erosion. So now it's more of a defensive than an offensive tool."

The industry "is going to have to become more sophisticated in terms of data" to grow, he says.

As things stand, some advertisers won't even consider the Yellow Pages, says Blanche McGuire, senior VP-marketing resources at Ketchum Directory Advertising, Pittsburgh.

"Our clients need to be able to calculate the return on investment to justify their buys," she says. "The watchword in today's economy is 'prove it.' "

Publishers not subscribing to syndicated intramedia research argue that it's much more expensive than doing their own research.

"I'd rather explore the opportunities in intermedia research," says Kurt Roessner, director-data-base marketing at Nynex Information Resources. "I'm doing my own, less-expensive version of intramedia research, so I already know what the market's doing."

GTE Directories Corp. doesn't subscribe to syndicated intramedia research because "we don't consider what's out there now to be true syndicated research," says Cindy Johnson, marketing director.

"We consider it sponsored third-party research, which is the same thing GTE does. To us, true syndicated research is similar to what Simmons does, where the research is done no matter who buys it."

Most ASR agencies and advertisers are wary of publishers' proprietary research, arguing none has ever presented itself as second-best.

"They've put out so many proprietary studies that I don't even open them," says Leonard Pollack, director of research for Wahlstrom & Co., Stamford, Conn., Foote, Cone & Belding's Yellow Pages subsidiary. "It's just another self-promotion piece, and it won't get past my desk."

Many industry observers believe syndicated, intramedia research runs counter to the pre-divestiture Yellow Pages culture of secrecy.

"It's kind of scary to a lot of publishers to think of an outside company coming in and measuring your markets and that you can't control how they do it or what they report," Pacific Bell's Ms. Eichel says.

> **"The watchword in today's economy is 'prove it.' "**

But intramedia research usually confirms what a publisher already knows, says Mary Ann Packo, president of National Yellow Pages Monitor, which measures 30 major markets for more than 400 directories by Pacific Bell and BellSouth Corp.

Although Yellow Pages have a long way to go before sufficiently meeting advertiser and agency needs, most are encouraged by the growing number of publishers exploring intramedia research.

"There are more and more media choices out there," says Advertising Research Corp. Exec VP Sherrie Starr, "and if Yellow Pages wants to be up there in the top media choices, they're going to have to take that step forward." □

PEOPLE TO WATCH

As far as surveyed consumers are concerned, Yellow Pages are challenging disposable diapers as the biggest culprit threatening municipal landfills. And it's the job of Willis Hengy Sr. to make sure they don't.

Mr. Hengy is president of the Michigan Directory Co. and chairman of the Yellow Pages Publishers Association's year-old environmental committee.

"I felt it was a place where I could accomplish something and it would be worthwhile," he says of the appointment last March.

About 680,000 tons of paper each year go into Yellow Pages directories distributed nationally. If all of that paper went into landfills, it would account for less than 0.5% of the 188 million tons of garbage annually parked in dumps, Mr. Hengy estimates. Disposable diapers, by comparison, constitute about 2%.

"We consider it to be important," Mr. Hengy, 60, says.

Recycling old phone directories is a priority for the environmental committee—both because they believe it can be accomplished and because it's a way to offset any negative publicity brought on by the environmental movement.

The first major step toward making the industry "green" is to standardize the materials used for directories, including the cover, binding, paper, inks, glues and dyes, Mr. Hengy says.

Willis Hengy Sr.

"When the time comes to collect directories for recycling, there won't be any concern that any of these components from any directory company can't be recycled," he says.

The 50-member committee, composed of publishers, paper companies and printers, is asking Yellow Pages publishers to phase out petroleum-based, heavy-metal inks and switch to a vegetable, water-soluble ink. The same goes for glue. A hot-meld adhesive currently is the favorite binder, but that glue is difficult to recycle. He says water-soluble glues will solve the problem.

Although compliance is voluntary, he expects most publishers to adopt the guidelines in part because of intense industry pressure.

By 1993, directories will be printed on paper made of 10% recycled material, Mr. Hengy predicts, and will increase to 40% recycled fiber content by 1998, up from their current almost non-existent recycled material content.

But what really worries Mr. Hengy is that there won't be enough Yellow Pages books to recycle.

"People don't necessarily want to give up their old phone books. They've got phone numbers written down in it, or they want to put it in a spare bedroom or in the basement. Old directories aren't as easy to get as you think."

Mr. Hengy, a former Ford dealer, got into the telephone business in 1971, when he and a partner bought Pigeon Telephone Co. from the original founding family.

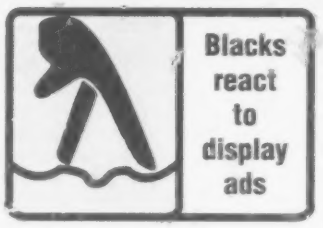
Becoming chairman of the environmental committee has heightened Mr. Hengy's environmental awareness and led to changes in his own operation. Since late last year, old directories have been sent to an area farmer to be shredded into bedding for cows.

"I see people going to the store, carrying their own grocery bags, returning plastic bags and putting out recyclables in special bins," he says. "And someday, they'll probably put their phone directories in those [curbside] collection bins."

—*Laurie Freeman*

Ad Age/Gallup survey results

How blacks, affluent, Hispanics use books



Yellow Pages display ads have the biggest influence on what business consumers will call, but African-Americans are influenced by these ads more than any other group, an *Advertising Age*/Gallup Organization survey indicates.

Forty-one percent of blacks say display ads are the most influential factor in their decision-making, compared with 38% of the total sample.

Some 22% say they're influenced by companies whose names appear in bold type, compared with 17% of the total.

Another 8% of blacks say companies whose names begin with "A" and are listed at the beginning of the category get their attention first, compared with 3% of the total.

Fully 39% of the total sample said none of these reasons influenced their selection of a business, compared with only 27% of blacks.

An additional 2% of blacks said they didn't know whether these factors influenced them. □

Although all consumers use the Yellow Pages primarily for price information and comparison shopping, Hispanics use it for this reason more than any other group, an *Advertising Age*/Gallup Organization survey reveals.

A whopping 57% of Hispanics say they typically use the Yellow Pages for this purpose, compared with 40% of the total sample and 35% of blacks.

Another 26% say they use the Yellow Pages to find the closest business to their home or business, compared with 32% overall and 29% of blacks.

Only 6% say they use the Yellow Pages to find out store hours, compared with 10% overall and 18% of blacks.

Another 3% use the Yellow Pages for the maps, street guides and ZIP code information, compared with 6% overall.

Three percent say they use the Yellow Pages for any and all of those reasons, 3% say they use it for none of those reasons and another 3% say they don't know. □

When it comes to affluent, highly educated consumers, the bigger the Yellow Pages ad, the better they respond.

Forty-seven percent of college graduates and consumers whose incomes exceed $50,000 say display ads most influence their selection of a business, an exclusive *Advertising Age*/Gallup Organization poll shows. That compared with 38% of the total sample.

Companies whose names appear in bold type were ranked next most influential, with 14% of college graduates and 13% of those whose incomes exceed $50,000 choosing that option, compared with 17% of the total sample group.

Only 2% of college grads and 3% of the $50,000-plus group said companies whose names begin with "A" and are listed at the beginning of the heading are the most influential in selection of a business.

Thirty-six percent of the $50,000-plus income group and 35% of the college graduates said none of these is influential in their phone calls, while 1% and 2%, respectively, said they didn't know. □

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FSI coupon redemption hits wall

By Scott Hume and Patricia Strnad

Couponing via free standing inserts may have hit its saturation point, industry observers say.

There were 218 billion coupons distributed via FSI last year, up 3.3% from 1989, said Kris Prasad, marketing research manager for CMS Inc., a redemption agent.

But only 2.3% of those coupons were redeemed, down from 2.9%. That indicates that FSI couponing may have reached a "saturation level," Mr. Prasad said.

The nation's other major coupon clearinghouse, Dun & Bradstreet Corp.'s NCH Promotional Services, said FSI coupons had a 2.2% redemption rate in 1990, down from 2.5%.

"The biggest issue is that you've simply got too damn many coupons," said Gary Blau, a partner in Computerized Marketing Technologies, a data-base marketing company that operates Select & Save, a targeted direct mail couponing program. "Consumers are inundated.

"You can come up with 14 different conclusions for why [FSI] redemption is down, but they're all going to come down to too much couponing going on."

Redemption rates both overall and for FSIs have been declining or stagnant in the past several years, largely because more coupons are being distributed. But 1990 marked the first time the FSI redemption rate was below the overall rate. The average redemption rate for all coupons in 1990 was flat at 2.6%, CMS reported.

One factor in the decline of FSI coupon redemption could be growth of direct mail as a coupon delivery medium. In 1990, direct mail accounted for 5.3% of all coupons distributed, up from 3.7%, CMS said. Redemption of direct mail coupons rose to 6.3% from 4.5%.

FSIs accounted for 80% of all coupons, about the same as a year earlier; coupons in newspaper run-of-press accounted for 5.6% of the total, down from 6.6%.

Mr. Prasad also pointed at a trend to using multiple coupons from a single marketer or from two or more marketers on a single insert page. That encourages consumers to pick and choose ones they want rather than using them all, he said.

Also contributing to the decline is a shortening of the period during which coupons are valid. Between 1987 and 1990, average coupon duration dropped to five months from 6.8 months, NCH found. While that helps limit marketer coupon liability and promotional costs, and provides quicker coupon promotion analysis, it works against redemption, NCH Senior VP Jane Perrin said.

But FSI companies argue there's still an important and cost-effective role for a mass medium in couponing.

"When you're hitting 51 million households on a single day [with an FSI], that's an incredible audience for a manufacturer," said Ken Bortner, president of News America's FSI division. The company owns Quad/Marketing and Product Movers, two of the largest distributors of FSIs through Sunday newspapers.

"When we talk to the top advertisers who work with us, we're hearing about increases. Numbers can be funny when you get into figuring averages," he said.

The increasing number of coupons "is always a concern of ours," Mr. Bortner said. "But we're looking at more creative ways to use FSIs. We have one coming up, a joint effort of a soft-drink and a cookie company, that doesn't have any coupon. It's strictly to announce a promotion and to tell consumers to look for the in-store display."

Other factors contributing to declining redemption include a move to fewer shopping trips and the shorter expiration dates, said a spokeswoman for Valassis Inserts.

Jeff McElnea, president of promotion agency Einson Freeman, Paramus, N.J., said FSIs without coupons will increase as inserts become "a print advertising tool every bit as much as a promotional tool. FSIs may be flattening out on coupons, and while they should include some added-value offer, that doesn't have to be a coupon.

"FSIs are not less effective if they're targeted properly. Readership remains very high." □

Falling FSI redemption

	1987	1988	1989	1990
Total number of coupons distributed (in billions)	240	250	273	280
Percentage of coupons redeemed	3.0	2.9	2.6	2.6
Percentage of FSI coupons redeemed	3.6	3.2	2.9	2.3

Source: CMS Inc.

Marvel leaps into 900 promo

By Kate Fitzgerald

Marvel Entertainment Group this month unleashes Spider-Man in a test of the No. 1 comic book marketer's first 900 number promotion.

Spider-Man's "Help Me Save Mary Jane" line is a first for Marvel and for the 900 numbers industry, said Pamela Rutt, Marvel publicity director.

The promotion features an interactive audio game that awards prizes to callers playing the game via a Touch-Tone phone.

Calls cost $1.75 for the first minute, 95¢ for each minute after.

The line has several built-in safeguards. For example, calls are limited to four per week per household at a maximum of 3 minutes per call.

Callers hear a taped introduction to the game and then have 2 minutes to progress as far as they can in answering Spider-Man trivia and battling villains by using the phone keys.

"We've made it so no one can really overdo it and rack up high telephone bills," Ms. Rutt said.

AT&T, MCI Communications Corp. and US Sprint have safeguards built into their 900 number lines, including a $4 cap on each call for lines targeting kids.

Marvel built some safety nets into its Spider-Man promotion.

"The trend toward adding safeguards has increased, but limiting calls to four per week is relatively unusual," said Jan Rimmel, senior account executive at Phone Programs USA, which is executing Marvel's 900 number. "In general, the Spider-Man line has more limitations than most, because Marvel is very concerned about avoiding any kind of abuse."

The company hopes keeping costs low and preventing abuse will encourage repeat business and widespread interest in Marvel comic books, Ms. Rutt said.

The game encourages kids to call several times until the promotion ends in May by offering a tier of prizes. Players can advance from Level 1 to Level 4 and win more prizes.

Level 1 prizes include Marvel comic books and discount coupons for videogames from Sega of America, Taito Software and TSR. Ms. Rimmel said this is the first time marketers have been able to tie in to a 900 number promotion through coupons.

Marvel got 7,000 calls in the first five days, with calls averaging two minutes, said Jerry Calabrese, a consultant to Marvel.

The program may be extended to include other characters and story lines, but no decisions have been made.

Supporting the game is a page ad in all Marvel comic book titles through April; the ad was created in-house. Tarlow Advertising, New York, is Marvel's agency of record. □

Gannett plugs trial of 900 numbers

By Eric Weissenstein

Gannett Co. next month will promote its 900 numbers with outdoor advertising and 800 numbers.

Gannett offers six 900 numbers with 14 services, most in conjunction with *USA Today*. Information available includes stock quotes, sports news, weather reports, crossword puzzle clues and horse racing and lottery results.

Starting April 15, Gannett will promote two 800 numbers, one for *USA Today* and another for other Gannett newspapers. The 800 numbers let callers sample 900-number services for free. Calls to Gannett's 900 numbers cost 95¢ a minute.

"This is one of the few viable ways to get the information out there," said Blake Barker, exec VP, *USA Today* information center. "We believe that once people understand what our 1-900 services offer and the price, they will continue to call."

Gannett handles the effort in-house.

The 800 number for various Gannett papers will be customized for each market.

"For example, callers in El Paso [Texas] will get a message saying, 'You have reached the *El Paso Times* hot lines,' and they will be able to select from whatever options the *Times* chooses to offer," Mr. Barker said. "That way each paper can customize the service to their market."

This is the first time the phone services have been advertised outside Gannett's own newspapers, said Steven Anderson, manager of public relations at *USA Today*.

Despite the 900 number industry's growing pains, Gannett remains "totally committed" to using such services, Mr. Barker said. □

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AD REVIEW

A fresh start, like Nescafe's new ads, is what works today

(Rating: ★ ★ ★)

By Bob Garfield

Garfield

The new Nescafe campaign is a triumph of cinematic storytelling and only incidentally about coffee, which once would have been considered an advertising blunder. But more on that presently.

First, a word from someone puzzled that your correspondent could loathe certain obnoxious ad characters while admiring the Energizer bunny—though most consumers polled seem to associate the bunny ads with archrival Duracell.

"Madge and Mr. Whipple were around for decades because they were selling Palmolive and Charmin by the ton," writes Victor G. Bloede, former chairman of Benton & Bowles. "I always thought that was the function of advertising: to sell products, not to entertain Mr. Garfield."

Well, Mr. Bloede, of course the function of advertising has always been to sell products. But here's what's happened since you retired: TV advertising had better also entertain Mr. Garfield, because Mr. Garfield has a remote control device and 120 cable options and a VCR. Thanks to 30 years of grating characters, insipid slices of life and phony hard sells, Mr. Garfield is impatient, and he will zap you before you can say "squeezably soft."

Madge and Whipple sold by the ton, yes, but they also polluted the airwaves, increasing consumer resistance and the cost of doing business for everyone. Your beloved toilet paper fondler was human sulfur dioxide.

Mr. Garfield will not allow himself to be poisoned any longer. He wants to be amused, moved, engaged, seduced. In a marketplace full of parity products, Mr. Garfield is wise to trumped-up selling propositions, but he's eager as ever to do business with people he likes. He doesn't want some sleazy salesman wedging his foot in the door, but he's prepared to regard advertising itself as a brand benefit. Energizer is a splendid example. Maybe a majority of consumers can't name the brand in a survey, but enough have recognized the pink bunny display at the checkout to halt Energizer's five-year market share slide.

Mr. Garfield is impressed.

For similar reasons, getting back to where this started, he is impressed with the new spots for Nestle Beverage Co.'s Nescafe from McCann-Erickson Worldwide, New York—a sell so soft Mr. Whipple would want to squeeze it.

The premise is "a fresh start." This is what coffee gives you every morning, I suppose, but the conceit of this campaign is a parallel with a fresh start in life. One 60-second spot, called "Moving In," portrays a (presumably) divorced young woman moving into a wreck of a beach bungalow with her adolescent son. Another spot, "Cowboy," depicts a (presumably) widowed rancher preparing for his first date in years.

There's no copy, just a few notes of piano accompaniment to Peter Smillie's magnificently textured film, but as the rancher dismounts and walks into the house from the range, he is clearly anxious and reticent. He's also sweetly vulnerable for a 50-year-old chiseled out of Wyoming rock, and his angelic 11-year-old daughter, who is observing him, knows just what to do: a hot cup of Nescafe Classic, of course.

A widower rancher tries to get a fresh start, and so does Nescafe, in an emotional, decidedly soft-selling, new campaign from McCann-Erickson Worldwide.

Then . . . rabadabadamdam bambam boom . . . the plinking piano gives way to Fats Domino singing "I'm in Love Again." Amid the buoyant rock 'n' roll, the little girl looks adoringly at Daddy, Daddy's dressed and doing a jaunty number with his hat, and a fine-looking lady is about to meet a sensitive cowboy down to the Pine Room Cafe. Howdy ma'am.

"Nescafe," says the onscreen title. "Make a fresh start."

What's wrong with this campaign, written by Alison Stanich and art directed by Tom Upshur, is that the product is both too anonymous and too central. The notion of a cup of coffee liberating you from fear and depression is silly, but, just in case, which brand is it?

On the other hand, the stories are riveting, the acting and direction brilliantly understated and the "fresh start" metaphor positively established. There's no Mrs. Olson barging in and prattling about "Mountain grown" (vs. tundra-grown, I guess), but viewers won't zap these spots into oblivion. Over time the brand name is apt to reinsinuate itself, most favorably, in the consumer consciousness. And, good news, Mr. Bloede, it should sell by the ton to 24-to-59-year-old rural adults with shattered lives. □

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

Jobs' Next seeks West Coast shop

By Bradley Johnson

Next Computer, still struggling to make a go of it, will focus on the West Coast in its agency search.

"I'd personally like to work with someone local," said Karen Sipprell, Redwood City, Calif.-based Next's director of marketing communications and the top marketing executive under President-CEO Steven Jobs. However, the agency can be far away if it produces "awesome work," she said.

The Next agency should be prepared to offer advice on integrating other disciplines such as direct marketing and public relations with advertising, Ms. Sipprell said. Next's PR agency is Allison Thomas & Associates, Sherman Oaks.

"Dozens" of shops have approached the computer workstation marketer since Ammirati & Puris, New York, resigned earlier this month, she said.

Ammirati cited a conflict with client Nikon's electronic imaging technology. Some sources say Nikon was also concerned that rival Canon is a major Next investor.

Next spent only about $2 million on advertising last year. Spending will probably increase in the next 18 months, Ms. Sipprell said.

The account's prestige outweighs its billings: This is the second shot at greatness by Mr. Jobs, co-founder of Apple Computer.

But it's a long shot. Next has lost much of its luster since 1989, when it began shipping its sleek, black workstation with an introductory ad in *The Wall Street Journal* trumpeting Next as "the most successful computer start-up in history."

Only 2,250 workstations at $10,000 each were sold in 1989, estimated InfoCorp, a market research company. Last year, Next accounted for only about 10,000 of the estimated 430,316 workstations sold worldwide, reported WorkGroup Technologies, another research company.

Next has scrambled to regroup. In addition to redesigning its first machine and lowering the price, the company last fall introduced a $4,995 entry-level machine.

At the same time, Next aborted an exclusive distribution arrangement with Businessland after learning, to few critics' surprise, that a high-volume retail chain is ill-suited to sell a complex workstation line. Next is now building a direct sales force and also is talking with some selected computer retail outlets, according to trade reports.

Next has lost much of its luster since 1989. . . . "The window of opportunity has probably closed."

On the media front, Next last year moved most of its spending into computer publications after failing to generate sales volume with its launch ads in the business press.

Next has had three key endorsements this year. Lotus Development Corp., the top spreadsheet marketer, and WordPerfect Corp., the top word-processing software supplier, have begun shipping software for Next computers. IDG Communications, a major publisher of computer titles, has launched *NeXTWORLD* magazine.

With all these changes, Next could sell 21,000 computers this year, WorkGroup said.

But Next missed whatever technological advantage it had, said William Zachmann, president of Canopus Research, a market research company.

"The window of opportunity has probably closed," he said. "I think they're dead and they just don't know it." □

Six Flags

(Continued from Page 3)

tion with Time Warner's Home Box Office cable channel.

Previews of Warner Bros. movies will be shown this season on park TV screens that entertain patrons as they wait in line for rides and attractions. The screens already show Warner cartoons.

Rides and attractions will also change.

Six Flags is planning a ride built around "Batman" for 1992, and another movie-themed attraction is expected to make its debut in 1993. It's also considering a stunt show based on Warner's "Police Academy" movies.

"But you will not see Six Flags become a movie studio," Mr. Cochran said. "We do not want to do this to every ride in the park. We want to do this when a character is hot."

The company will continue regional ad efforts for individual parks, some of which don't carry the Six Flags name. Those parks' current shops remain in place. □

ADWATCH

New round for cola wars

The cola wars were re-ignited in February, with Pepsi-Cola moving into the No. 1 spot in *Advertising Age's* monthly survey of advertising awareness. Coke/Coca-Cola came in second, up from fourth place the previous month, and Ford was third. Diet Pepsi was mentioned by brand name for the first time in adWatch, giving it a ninth-place ranking in February. Advertising awareness was measured by a telephone survey of 1,000 adults who were asked to name the first advertising that came to mind from all advertising seen, heard or read in the past 30 days. Margin of error was plus or minus 3.1%.

Rank 2/91	Rank 1/91	Advertiser	Agency
2	4	Coke/Coca-Cola	McCann-Erickson Worldwide
4	1	Automobiles (general)	Various
6*	6*	Nike	Wieden & Kennedy
7*	3	Persian Gulf War/crisis	–
10*	5	Budweiser	D'Arcy Masius Benton & Bowles/-DDB Needham Worldwide

*Indicates tie

Source: Gallup Organization

JOHN SMITHER

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NEWSPAPER

Advertising Age

March 25, 1991

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AGENCY REPORT **1991 EDITION**

Who's On Top?

Biggest advertising organization:
WPP Group

Biggest U.S. agency brand:
Leo Burnett Co.

Biggest U.S. consolidated agency:
Young & Rubicam

International Agency of the Year:
Baker Lovick

Advertising Age's U.S. Agency of the Year:

Does liability shift weaken agencies' role?

By Jon Lafayette

The scramble to avoid getting stuck with bad debts is driving a wedge in the relationship between ad agencies, their clients and the media.

The American Association of Advertising Agencies earlier this month changed its policy that agencies be held "solely" liable for unpaid media bills to a "sequential" liability procedure.

The recommendation reverses a longstanding system of agency liability for the payment of media debts.

Agencies that adopt the new Four A's policy would be responsible for the payment of media contracts only after their clients have paid the agency.

Some media companies, particularly publishers, are up in arms over the move.

"I think it's a sign of weakness from the agencies, that maybe they don't have the kinds of relationships with the clients they say they have," said Thomas P. Losee Jr., publisher of *Architectural Digest* and VP at Knapp Communications Corp. "We keep hearing about partnerships. This flies in the

"I think it's a sign of weakness from the agencies, that maybe they don't have the kinds of relationships with the clients they say they have."

(Continued on Page 48)

Big Blue takes aim at Toshiba, Compaq

By Alan Radding

IBM Corp. tomorrow is expected to unveil its "notebook"-size portable computer along with a major advertising and marketing blitz to catch market leaders Toshiba America and Compaq Computer Corp.

IBM plans to break ads for its new computer March 27 in *The New York Times* and *The Wall Street Journal*. Spot and cable TV commercials will break April 1 on network morning news programs and such cable networks as Financial News Network and Arts & Entertainment. Ads in computer trade books break the week of April 8.

The success of this new product and the marketing blitz is crucial to the giant computer marketer, particularly after disappointing analysts last week by announcing sharply lower-than-expected revenues for the year, resulting in a stock price tumble.

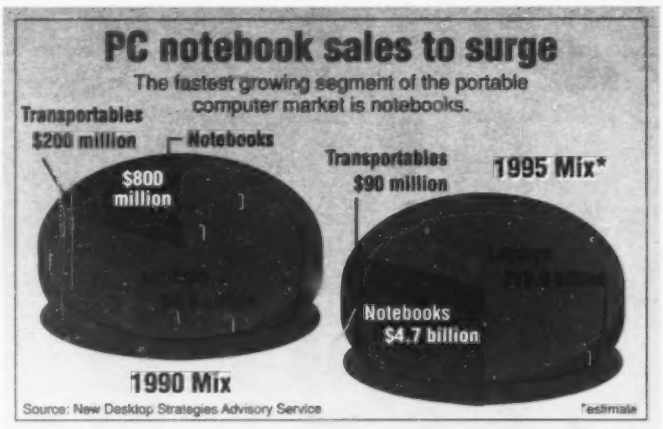
The notebook—the fastest growing segment in personal computers—will fill a gaping hole in IBM's line of PCs, a segment it has never been able to dominate.

Big Blue is ready for a dogfight. Sales in the notebook segment (less than 8 pounds) are expected to grow to $4.7 billion in '95 from $800 million in 1990.

"The [notebook] computer market is going to be a major killing ground in the industry. Everybody is jumping in, but not everybody is going to be successful," said William Zachmann, president of Canopus Research.

"IBM is three years late with this product, so the question is

(Continued on Page 48)



John Hall

LAST-MINUTE NEWS

Reebok gives the boot to HHCC

STOUGHTON, Mass.—Reebok International dropped Hill, Holliday, Connors, Cosmopulos, Boston, as its agency. As expected, Reebok divided creative responsibilities for the $70 million account between New York agencies Chiat/-Day/Mojo and Lois/GGK (AA, March 18). A spokesman for Hill Holliday, which had the account for almost a year, said, "We're pleased with the work we did. We wish them all the best." Chiat had the account before Hill Holliday and has continued to handle Reebok's international ads as well as domestic work for Weeboks toddlers shoes. Lois has been handling Reebok's Pump athletic shoes. DeWitt Media, New York, continues to handle media buying.

Shareholder sues WPP

NEW YORK—A WPP Group shareholder has filed a class action suit against London-based WPP, Chief Executive Martin Sorrell and Chairman David Ogilvy, alleging securities fraud. Frank Debora alleges that between Aug. 7

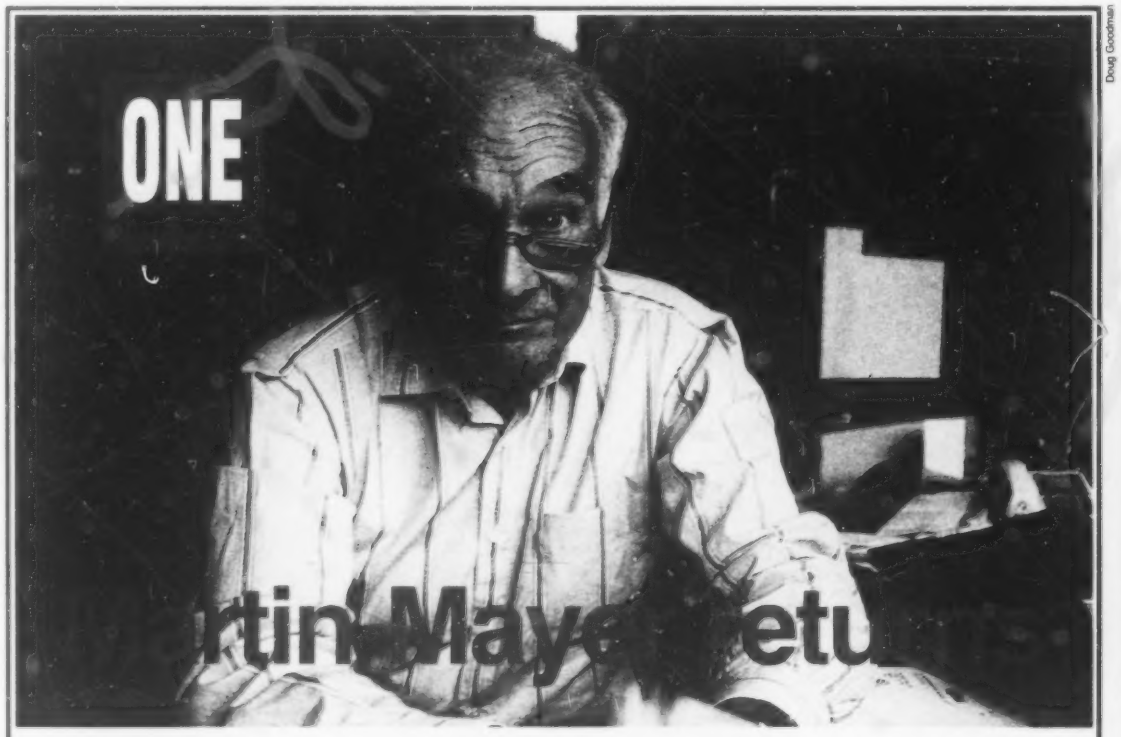
(Continued on Page 8)

INSIDE

Bo Jackson: Marketers haven't benched the injured athlete yet; they're waiting for a comeback. **Page 4**

BusinessTrack: Carpel tunnel crisis looms for print media companies. **Page 27**

Ad Review: Sudafed's hollow public address after tamperings. **Page 52**



Doug Goodman

After 3 decades, author sounds words of warning for Madison Ave.

Thirty-three years after his "Madison Avenue, U.S.A." became a best seller and one of the most credible looks at the advertising business ever written, author Martin Mayer is back with another book about the advertising business, "Whatever Happened to Madison Avenue? Advertising in the '90s" (Little, Brown & Co., Boston; $22.45; June).

While Mr. Mayer remains steadfast in his belief that advertising builds brands by adding perceived value to products and services, and promotes choice, his new study left him feeling pessimistic.

Fragmenting national media, the rise of data-base marketing and the failure of ad agencies to nurture unique consumer research talents have put agencies in a bind, Mr. Mayer believes.

Advertising Age Editor Fred Danzig asked Mr. Mayer about some of his findings.

Advertising Age: *What has changed in the agency business since the late '50s?*

Mr. Mayer: Here's a story that I think symbolizes what's happening:

Back then, when I was working on another book [about the Ted Bates agency], I'd go in to see [Bates'] Rosser Reeves and we'd schmooze. He'd say, "You ought to see [Edward] Little [chairman of Colgate-Palmolive Co.]." And he'd get on the phone and say, "Mr. Little, I've got a guy here I think you'd be interested in meeting. He's writing something on the agency. What are you doing tomorrow?" And the next day I'd go and see Mr. Little. . . .

This time around, I'd see the ceos of the big agencies —$4 billion agencies, big operations, thousands of employees. And they'd say, you ought to see Lee Iacocca,

(Continued on Page 16)

NO NEWS IS BAD NEWS

So it's good news the News is back.

JORDAN, McGRATH, CASE & TAYLOR INC.
Advertising, 445 Park Avenue, New York, NY 10022, Telephone 212-326-9100

NEWS SUMMARY

■ **IBM** is expected to start introductory advertising this week for a notebook-size portable computer, thus entering the fastest growing segment of the personal computer market. ... **1**

■ **Financial liability** policy changes by the Four A's have angered media executives. ... **1**

■ **Four airlines** have begun heavy marketing efforts for trans-Atlantic passengers. ... **3**

■ **Federal Trade Commission** staff is drafting voluntary alcohol marketing guidelines, with emphasis on brewers' college promotional practices. ... **3**

■ **MasterCard** will use sponsorship of the 1994 World Cup soccer matches to launch a global identity program. ... **3**

■ **Magazines** are cutting costs by decreasing issue frequency and downsizing. ... **3**

■ **Stroh Brewery** begins a new, larger campaign this spring for Old Milwaukee beer. ... **4**

■ **CBS-TV** is offering cross-packaging deals to advertisers involving its sports inventory and other programming. ... **4**

■ **Gasoline discounts** for cash purchases are being phased out by several oil companies. ... **6**

■ **General Motors** will sponsor the U.S. Armed Forces Sports Championships, a series of events at military bases that may result in a TV syndication package. ... **6**

■ **Ads supporting U.S. troops** have a positive effect on 30% of consumers, a Gallup poll reported. ... **6**

■ **State lotteries** are revamping older games to renew interest, including the Illinois Lottery's "Cash 'N Fly" game offering United Airlines flights. ... **12**

■ **A&W Brands** began its first network TV campaign for Squirt soft drink, now nearing national distribution. ... **13**

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■ **Murdoch Magazines'** potential bidders include Hearst Corp. and possibly Cahners Publishing Co. ... **50**

■ **MCI** says its new Family & Friends discount pricing plan will win market share from AT&T. ... **51**

■ **Backer Spielvogel Bates** laid off at least 80 employees following its loss of the Miller Lite account. ... **52**

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Gas cash discount fades

By Christy Fisher

Discounts for cash purchases of gasoline, a popular marketing tool of the 1980s, are being phased out by several oil companies.

Chevron Corp. and central U.S. Texaco stations have scrapped the discount given cash-paying customers over credit card users. And on July 1, Conoco Corp. will eliminate its credit card processing fee to encourage independently owned stores to offer the same price for cash or credit purchase.

Amoco Corp., Exxon Corp. and Mobil Oil Corp., however, still offer the discounts. No. 1 Shell Oil Co. has always had a same-price-cash-or-credit policy.

Chevron on March 4 announced in a national TV campaign via Young & Rubicam, San Francisco, that it would return to a same-price-cash-or-credit policy. It had done so in the West in mid-1990.

In response, Exxon broke print and radio ads in five markets—Dallas, Houston, Miami, New Orleans and Baton Rouge, La.—directly courting Chevron customers.

The print ad, from McCann-Erickson Worldwide, Houston, said, "Attention Chevron customers. Chevron no longer offers a cash discount. Exxon still does." The ad included a $1 coupon toward a purchase of 8 gallons or more of gasoline from Exxon. Direct mail coupons to Exxon credit card customers will be used through the end of April.

Chevron fought back with print ads in the same five markets saying, "Attention Exxon customers. Exxon charges you extra for credit. But at Chevron, credit is the same price as cash."

Under the new pricing, Chevron charge card customers will save about 2¢ or 3¢ a gallon, while cash customers will pay about 1¢ or 2¢ more, said Jim Gordon, director of sales for Chevron, noting that retail prices are set by individual station owners.

Company-owned stations in Texaco's central region decided to eliminate the discount Jan. 1 "in keeping with the company's desire to obtain 100% customer satisfaction," said Dan Stevens, manager of public and government affairs. About 450 stations in eight states are participating.

Industry analysts call the changes a move to appease credit card customers. Also, some cash customers found the discounts confusing when their discounts were being tallied at the cash register, not at the pump.

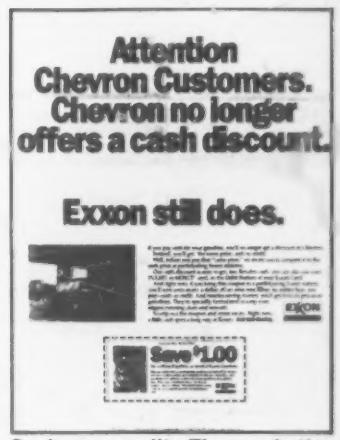
"Speaking as an oil industry analyst and a consumer, I prefer to use credit cards. . . . and I do resist the idea of paying a 4¢-to-5¢ premium to get credit," said William Randol, director of equity research, First Boston Corp. "If I go to Shell, where there is no difference, I feel better as long as the price is comparable to others' prices.

"What they might be trying to do is eliminate the differential between cash and credit and charge somewhere in between, if the competition will let them," he said.

Trilby Lundberg, publisher of the *Lundberg Letter*, an oil industry newsletter, said she doubts the change is a response to customer dissatisfaction, since the discount programs have been in place through much of the 1980s.

The cash discount programs were successful, she said.

About 86.5 billion gallons of gas were sold for the first nine months of 1990, according to Lundberg Survey, a market research company.



Cash vs. credit: The marketing scheme is highlighted in this Exxon newspaper ad.

No. 1 Shell had a 7.92% share, followed by Amoco with 7.48%; Exxon, 6.89%; Chevron, 6.61%; Mobil, 6.59%; and Texaco, 6.57%. □

Alice Z. Cuneo contributed to this story.

GM sponsors military sports events

By Raymond Serafin

General Motors Corp. has signed on as the first title sponsor of the U.S. Armed Forces Sports Championships.

The collaboration is designed to bring wider exposure to the athletic events and new opportunities for GM to boost its visibility on military bases.

"While small in terms of spending, this deal probably has as much upside potential as anything I've seen in the last couple of years," said Philip Guarascio, executive director of advertising and marketing programs for the No. 1 automaker.

GM is providing $120,000 in cash plus an undisclosed amount of ad and promotional support.

Mr. Guarascio said GM will look at ways to put together a TV syndication package on broadcast stations or cable channels, especially in markets near military bases.

That could bring into play GM's estimated $60 million cross-media deal with Time Warner (AA, March 11). So far, only magazine buys are firmed up, but GM and Time Warner are looking at additional marketing opportunities using the media company's other resources.

GM is sponsoring the entire 19-event men's and women's athletic competition, held throughout the year at various bases with participation by members of the Army, Navy, Marines and Air Force.

GM tested the waters last year by sponsoring softball and golf. Prominent athletes who've participated as servicemen in the past include basketball's David Robinson and boxers Ken Norton and Leon Spinks.

P. Guarascio

While GM will hold title sponsorship and will be the largest corporate backer, several general and single-event sponsors will be announced as early as this week, said Robert Collins, VP of Umbrella Events Marketing, Carpinteria, Calif., which is helping to line up sponsors.

GM's contribution essentially involves buying ad time and space in media near bases where the competitions take place. GM will have product displays and product experts on hand at the events.

While the Persian Gulf War has heightened visibility of the military, Mr. Guarascio noted that GM's interest pre-dated the war and the company plans to be involved long-term.

GM regards military personnel as good car-buying prospects, especially for Chevrolet and Pontiac divisions, which attract large numbers of young buyers.

GM is also targeting the military market with a new program offering all active-duty personnel or their spouses, or any reservists called up during the Persian Gulf crisis, up to $800 off the purchase of a new vehicle. D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich., is handling advertising, mostly in military-edition newspapers and other media around bases. □

Eric Weissenstein contributed to this story.

THE SECRETS OF NEW PRODUCT SUCCESS. A FREE SAMPLE.

1. Great ideas aren't the answer.

Just as a good idea may stop you from going on to discover a great one, a great idea may stop you from going on to discover the right one. After you get a great idea, continue to look for the right idea.

2. Exact appropriateness.

Every product has a small group of words and pictures that are exactly appropriate to it. When the time is taken to discover them and weave them together expertly, recall goes way up and top-of-mind awareness in the category is preempted.

3. News, with style.

The excitement of a concept board or test commercial must come from the clear communication of news about the product. Style comes from clarity and precision, not cleverness that subordinates the news. Even when image is all important, it takes the form of news, not so much inherent in the product, but invented.

4. Efficiency in communication.

Maximum efficiency in mass communication is one word—a name that says everything. Second is a slogan that contains the name. After that, people have to remember two or more things to know your message. Efficiency goes down, and media expenditures lose impact.

5. The disappearing concept board.

Most people test concept boards and commercials. The right concept board or commercial tests the product—by allowing the consumer to see right through it to the product shown in its best light.

We're top, award-winning creative people who've specialized in new products for over 15 years. So we've discovered a lot of unique secrets that have helped bring success to many leading companies.

We also put new life in old brands.

Let us make a presentation. If you retain us for a project, you'll move your new products program to a new, and generally unavailable level—where business-as-usual simply can't take you.

Just call and ask for Tom. The secrets of new product success don't have to remain secrets to you.

THE TOM ATTEA COMPANY, INC.

THREE LINCOLN CENTER PLAZA, NEW YORK, NY 10023
PHONE (212)769-1500

Poll: Troop ads win support

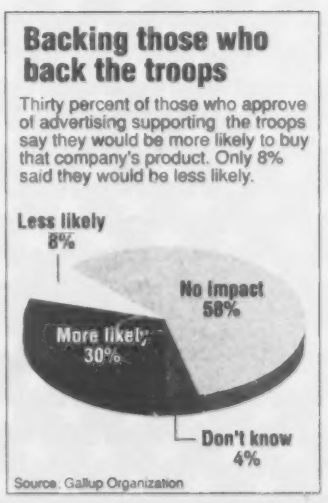
By Scott Hume

A significant share of consumers say they will salute advertisers who salute the troops by buying their products.

AD AGE GALLUP SURVEY

According to an exclusive national survey conducted last month for *Advertising Age* by the Gallup Organization, nearly one-third (30%) of the 1,002 adults polled said they would be more likely to purchase a product from a company that ran ads expressing support for U.S. troops fighting in the Persian Gulf War.

A majority (58%) of those surveyed said such advertising would have no impact on their purchase decision, while only 8% said they would be less likely to buy from a company running ads expressing support for U.S. troops. The remaining 4% were unsure of the impact.


Backing those who back the troops
Thirty percent of those who approve of advertising supporting the troops say they would be more likely to buy that company's product. Only 8% said they would be less likely.
Less likely 8%
No impact 58%
More likely 30%
Don't know 4%
Source: Gallup Organization

CYNTHIA WATSON

These numbers are significant because many advertisers have debated the use of advertising saluting the troops. Many feared if they did salute the troops, they would be considered opportunists and face consumer backlash. These figures show quite the opposite.

According to the Gallup survey, conducted during the first two weeks of February, most Americans don't view ads in support of the troops to be exploitive or inappropriate.

A wide majority of those surveyed, 78%, said they approve in general of a company using its ads to express support for U.S. military personnel. Fifteen percent expressed disapproval, 6% were unsure and 1% refused to answer.

The approval rating was higher among respondents with annual household incomes of $75,000 or more (86%) than among middle-income households (71%) or those with incomes of less than $20,000 (71%). It was also higher among consumers ages 18 to 34 (80%) than among those ages 35 to 54 (79%) or those 55 or older (73%).

The Gallup survey was conducted among a randomly selected but nationally projectable sample of 1,002 adults, interviewed by phone. The survey has a margin of error of plus or minus 3.1%. □

SYNDICATION COMES OF AGE
The Revolution in Broadcast Television

As the daily headlines make clear,a revolution is going on in television. While it has been going on for some time, it has picked up momentum in the current season. It is forcing everyone associated with the industry — the programing suppliers (Network and Syndication), TV stations, and advertisers -to find new solutions to the problem of reaching the increasingly-elusive TV viewer.

The engine of change is channel proliferation, which has led to the fragmentation of the mass audience. The average household can now receive over 33 channels; this number is growing by 10% a year, and may soon multiply exponentially. This proliferation is having a tremendous impact on broadcast TV which, though no longer the only TV medium, is still by far the largest, accounting for 77% of all TV viewing.

One of the most important trends in the past decade has been the growth of **Advertiser-supported Syndication** into an important programming and advertising medium. Syndication has always been one of the two principal sources of programming for TV stations, Network television being the other. It is now reaching the point where, for TV stations as well as advertisers, **the distinction between Network and Syndication is rapidly blurring - and may eventually disappear.**

I. SYNDICATION: A DECADE OF GROWTH

Advertiser-supported Syndication has been one of the fastest-growing segments of television since the early 1980s, because it offers important advantages to the three key groups - TV producers, stations, and advertisers - who form the basis of free, over-the-air television.

- It has given **TV producers**, including top Hollywood studios, an important new market for original programming.
- It has given **TV stations** an affordable means of getting the original programming they need to stand out in an increasingly competitive environment.
- It has given **national advertisers** the most direct alternative to Network television in reaching the ever-more-elusive TV viewer.
- Finally, it has given the increasingly demanding **TV viewer** more programming choices. Some of the most popular shows on television are Syndicated shows.

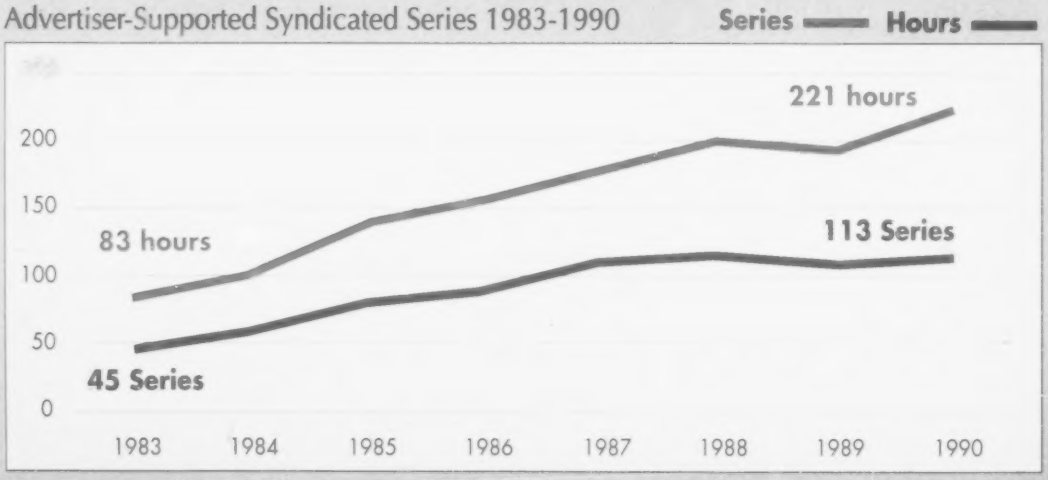
Syndication's growing importance as a programming marketplace for **producers** can be seen in the growth of on-air first-run series — since virtually all first-run programming is advertiser-supported, in whole or in part. In the 1990/91 season there are **113 daily and weekly series on-air,** up from only 45 in 1983. Over and above this are more than **300 movies and specials**, many of them airing in Prime Time.

The importance of first-run Syndication to **TV stations** is evidenced by the fact that they are devoting a larger proportion of their airtime to these shows. While the number of series has been fairly stable for the past four years, more of them are

A GROWING PROGRAMMING MARKET

Chart A

Advertiser-Supported Syndicated Series 1983-1990



Source: Nielsen Pocketpieces 4th Qtr. each year

daily (M-F) shows. Thus the number of hours-per-week of syndicated series on-air has continued to rise steadily, to 221 in the present season (see chart A, p. 5).

Syndication's 113 first-run series represent almost as many weekly on-air hours as the three networks and Fox combined:

	First-Run Syndication	Three Networks + Fox
# Series	113	156
# Hours/wk	221	243

Advertisers' growing appreciation of Syndication is evident in the growth of advertising revenues. Total industry revenues were $1.2 Billion in 1990, and are projected to hit $1.4 Billion this year — vs. barely $50 million in 1980. At a time when Network revenues have been steady, syndication ad revenues have averaged 16% annual growth over the past 4 years. (See Chart B)

And this growth is expected to continue: the Television Bureau of Advertising expects Syndication revenues to more than double by 1995, to $2.5 Billion.

Finally, the importance of Syndicated shows to **viewers** is attested by the most important fact of all: they watch them - in increasing numbers. Adults prefer *Wheel of Fortune* and *Current Affair* to the evening news; *Donahue* to Network game shows; Arsenio Hall to Rick Dees. Children cheer for the *Ninja Turtles*, *Chip 'n Dale* and *Tiny Toons*. Total Syndication audiences in the current season are ahead +3% while the three networks plus Fox are down a combined -5%.

THE ENGINES OF GROWTH

Syndication's growth is based on two trends which are expected to continue to benefit the industry in the hotly competitive 1990s: increasing penetration of network time periods, and changes in the cash/barter mix.

1. Penetration of Network Time Periods

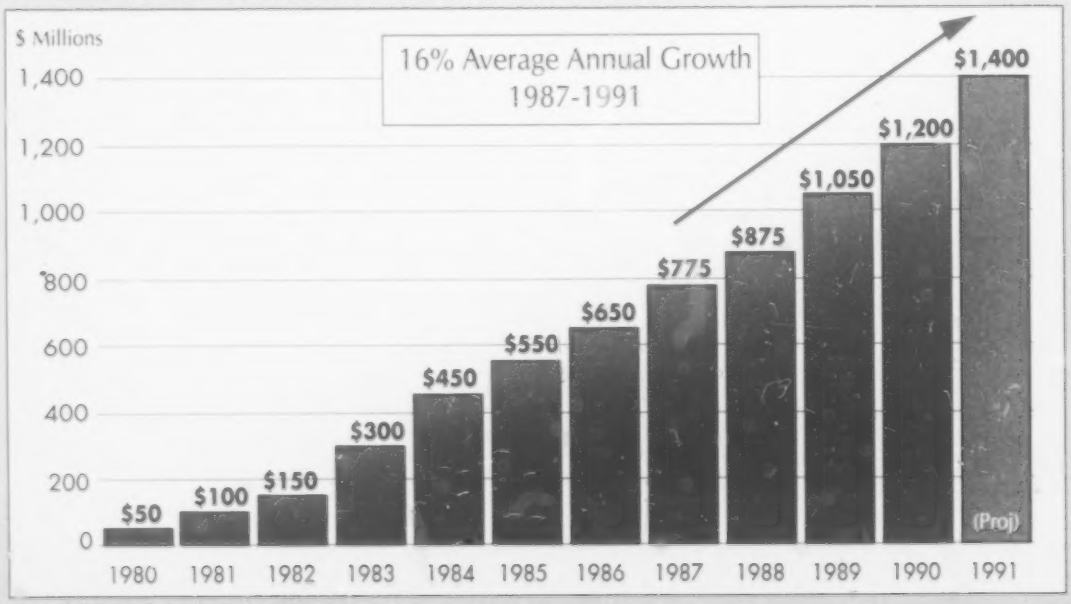
Over the past several years, Syndication has expanded from its traditional base of Early Fringe and Prime Access [4-8pm], which are non-Network time periods, and encroached on the Networks in three areas:

- **In morning Daytime**, shows such as *Donahue*, *Sally Jessy Raphael*, *Joan Rivers*, and *Live with Regis & Kathie Lee* have proved to be more attractive to viewers - and stations - than the

STEADY REVENUE GROWTH

Chart B

Advertiser-Supported Syndication Revenues1980-1991

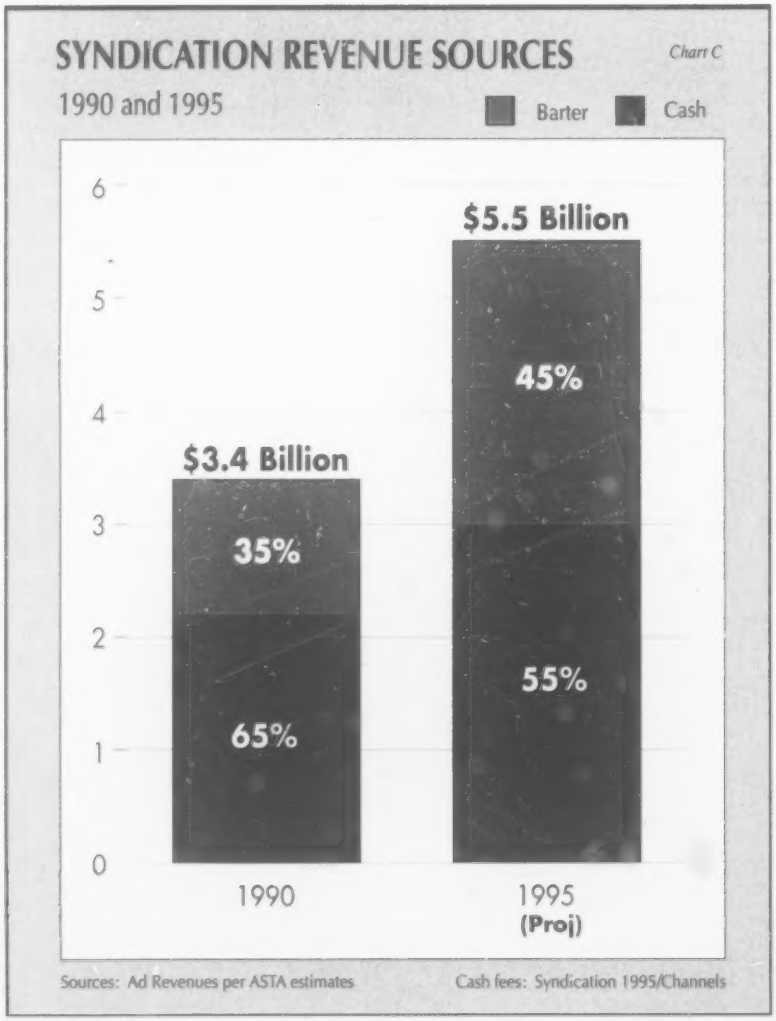


Source: ASTA

programs offered by the Networks. All three Networks have major clearance problems in the 9-12 time period, averaging only 82% coverage for the time period. NBC's decision to turn back a full hour of this time to its affiliates starting in 1991/92 is essentially a recognition of its inability to compete with Syndication. Far from being a fluke, it is a harbinger of things to come.

- In **Late Fringe**, Syndication has attracted most of the available younger men. Only NBC is fully competitive in the time period. After some disastrous programming moves which have dropped its average coverage to 73%, CBS is waging a losing battle to keep its affiliates from pre-empting its new offerings for Syndicated shows. ABC, meanwhile, has long had problems finding an acceptable lead-out from *Nightline* - which is itself DB'd (delayed-broadcast) by almost half its affiliates in favor of Syndicated shows.
- In 1988, the three networks suffered setbacks when over 80% of affiliates in the Eastern and Western Time Zones moved to **double access**. In many cases they dropped their Network news back from the lucrative 7:00pm time slot to 6:30 in order to air two syndicated shows back-to-back.

As will be discussed below, the increasing tendency of network affiliates to pre-empt their network is one of the most profound changes going on today. The network/affiliate bond has been the source of the networks' strength for the past 40 years. The reasons why it is weakening lie at the heart of the changes going on in television today.
(See Section II.)



2. Changes in the Cash/Barter Mix

Advertiser-supported Syndication's growth is also due in part to a softening of the marketplace for Cash Syndication. At an estimated $2.2 Billion, (vs. $1.4B in ad revenues) cash license fees from stations still represent the largest part of Syndication. However, the cash marketplace is slowing due to continued softness in the National Spot marketplace.

This softness has left many stations cash-poor and inventory-rich. As a result, they are showing a **marked preference for barter deals**, in which they give up commercial time, over cash deals. Thus a number of new shows offered for the 1991/92 season are being offered on a full-barter, vs. a normal cash/barter, basis.

This preference for barter is extending into the market for **off-network shows**, which has traditionally been a cash-only

marketplace.The offering of strong shows such as *Roseanne, The Wonder Years* and *Married....With Children* with barter time would have been unthinkable a few years ago. It reflects stations' desire to trade commercial time for lower license fees, and the sharing of ratings risk in partnership with syndicators.

Thus there will be a net expansion in the inventory of national barter time available over the next several years, both in terms of higher national/local splits, and in the introduction of barter time in shows that would normally have been cash-only. While this trend is somewhat dependent on the continued weakness in National Spot, ASTA predicts that barter's share of the total Syndication marketplace will increase from 35% to 45% as the marketplace grows to $5.5 Billion by 1995. (see chart C)

II. NETWORK AND SYNDICATION: THE CHANGING BALANCE

Just what is making Advertiser-supported Syndication so attractive to stations? Why are they preferring barter deals to cash? Why are Network affiliates pre-empting their networks in favor of Syndicated shows?

The main reason is, of course, programming: Syndication has developed some extremely popular shows. But there is an economic reason as well: TV stations are under extreme financial pressure; and **at the same ratings level, a Syndicated show is more profitable for a station than a Network show.**

To better understand why Syndication is growing, it's necessary to examine some of the basic structures of broadcast TV, starting with the most basic unit - the local TV station.

LOCAL TV: A UNIQUE SYSTEM

The television system in the U. S. is unique — not just in size and geographic scope, but in its structure. Unlike most countries, which have centralized (usually government-controlled) programming systems, **the basic unit of U.S. television is the local TV station.** There are over 1,100 commercial TV stations, in 210 separate television markets (ADIs), which vary greatly in size. Each of these stations is a private enterprise - not, as elsewhere, a conduit for government-controlled programming.

The business of each television station is to present the most attractive programming to the TV audiences it serves, competing against its rivals for the highest ratings in the market. It makes its money by selling commercial time in these programs, the price determined by its success in drawing audiences.

Virtually all (95%) of a TV station's revenue comes from the sale of commercial time, split about evenly between Local Spot (spending by local advertisers) and National Spot (spending by national advertisers in the local market). Network compensation accounts for only 4% of the average affiliate's revenues (see below).

Programming Sources

Since a station's revenues depend directly on the size of its audience, it follows that programming is the key determinant of success. The programs a station presents must be both **popular** (high ratings) and **affordable**. As we shall see, stations are having difficulty on both counts.

With the exception of local programming, which is typically limited to news on affiliates, stations have two sources of programing: Network and Syndication.

WHAT IS A NETWORK?

By definition, a network consists of a group of stations which agree to take programming from a programing service. While it can refer to the "ad hoc" network of stations which agree to take a Syndicated show, the term usually refers to the established networks - ABC, CBS, NBC and now Fox - who have established affiliation agreements with stations.

A station which has signed an affiliation agreement with one of the major networks receives from 11-1/2 to 13 hours of programming per day. This leaves it with only the 4-to-8pm time block to fill, typically with a mixture of local (and Network) news and Syndicated programs, 1-2 hours in the morning, and a varying amount of time after 11pm.

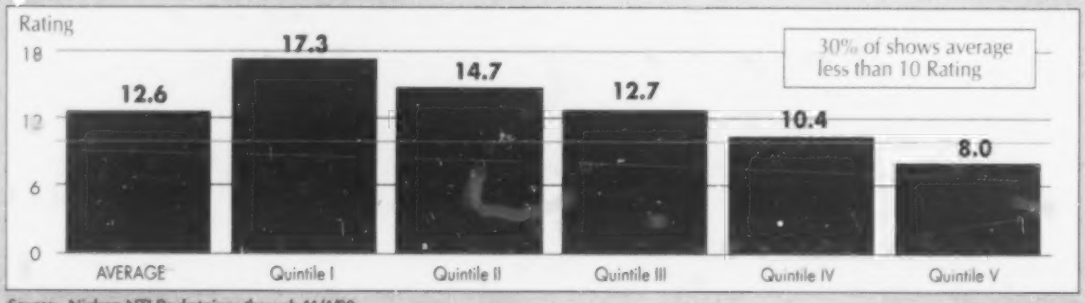
The station pays the network for the programming with a barter arrangement: typically it surrenders 90% of its commercial time in the show to the network for national sale, being allowed to run local advertising only in the adjacent time slots (at the hour and half-hour). In addition, the networks give back some of the proceeds from the national spots in the form of **network compensation**. However, this revenue source is small (only 4% of station revenues) and becoming increasingly insignificant as the networks seek to eliminate it.

For years, a network affiliation agreement was very valuable to a station because it significantly lowered a station's programming costs; and this is still true. Programming costs take only 12% of an affiliate's revenues, whereas an Independent station, which buys all its programming from Syndication, spends 36%. But changes are occurring on the other side of the ledger - revenues- which are squeezing the profitablity of all stations, and making Syndicated programmming more attractive.

3-NETWORK PRIME TIME RATINGS

BY QUINTILE. 4th Quarter 1990

Chart D

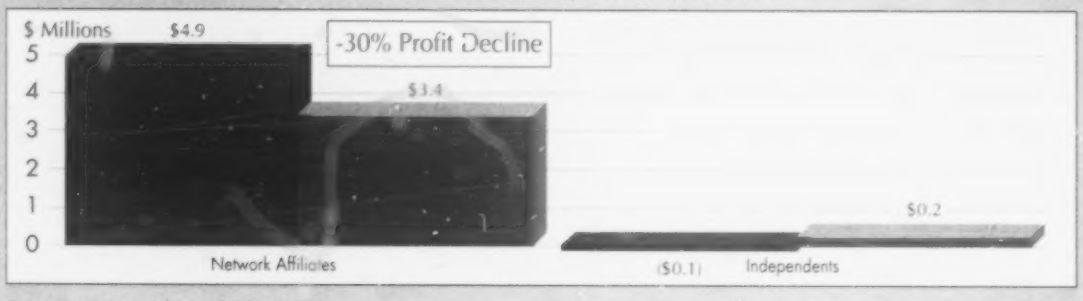


Source: Nielsen NTI Pocketpiece through 11/4/90

PRE-TAX PROFITS

NETWORK AFFILIATES AND INDEPENDENTS, 1989 vs. 1986

Chart E



Source: NAB Financial Report, 1987 & 1990

The networks' stringent barter deal - taking 90% of a station's commercial time - only made sense for the stations so long as the ratings were high enough to make the few remaining local spots highly valuable. And competition - from Cable, from Fox, from Syndication, even vcrs - is eating into the networks' shares. Prime Time remains the networks' strongest area: but it is under attack. While some highly-visible hits continue to gain large audiences, the great majority of the Nets' Prime Time shows are very weak. Ratings in prime time have declined -13% since 1987; and as the chart above shows, 30% of the 3-Network Prime Time shows average a 10 rating or less. (see chart D)

This is serious for the networks, who have to make a decreasing number of hits pay for the remainder. They are resorting to a number of tactics to shore up their declining profits including:

- less expensive formats — reality shows, news, and "clip" shows - so-called "recycled TV".
- More reruns; reruns increased by 48% in 4th quarter 1990.
- Adding commercial units; up to 57 seconds more per hour in Daytime, according to one report.

All of this tends to diminish the value of the programming as long-term franchise builders. And this hits affiliates particularly hard, because it lowers the value of the few local spots they have to sell.

Affiliates (as well as Independents) are under other economic pressures, too. Many changed hands at high prices in the mid-1980s, and are laboring under higher debt loads (the average station's interest expense has more than doubled since 1986). Further, while National Spot has been growing, per-station revenues have lagged because there are more stations competing for it.

The result has been a severe decline in station profits - especially for affiliates; Independents have been helped by Fox, which has enabled them to raise their rates. Between 1986 and 1989 (latest data available), affiliate pre-tax profits plunged -30% on average, even as Indies became marginally profitable as a group. (see chart E)

Faced with this difficult financial picture, stations are turning to Advertiser-supported Syndication.

WHAT IS SYNDICATION?

Syndication refers to the sale of programs on a market-by-market basis to all 210 TV markets. Like the Networks, a Syndicator offers stations a programming service: the difference is that he offers it on a show-by-show basis. In contrast, the Networks sign stations to long-term deals in which the station agrees to take **many** shows.

Thus a station approaches each syndication deal on a case-by-case basis, evaluating the price, the quality of the program, the time period in which it will run, and the length of the contract to determine how profitable it will be. In times of severe financial pressure, it is a very sensible way to deal with programming. This is why stations are now often evaluating syndicated shows, not just in comparison with each other, but increasingly, with the shows currently offered by the Networks, as well. And increasingly, Syndication offers the station a better deal.

As noted previously, at a given ratings level, Syndicated shows are more profitable to stations than Network ones. In fact, Syndicated shows are becoming the most important profit center for many network affiliates. The reason: Syndicators give stations **a better barter deal**. Where the Networks will take 90% of the commercial time in a show, in Syndication the average for all-barter shows is typically 50%. This gives stations many more spots to sell.

The reason Syndicators are able to make a better deal is because they tend to be lower-cost producers. It is not that they are cheap: some of the top Hollywood studios are involved in Syndication, and they are willing to invest large sums in shows. Disney and Warner, for example, are said to be producing kids shows at a cost approaching $400,000 per half-hour - an all-time record.

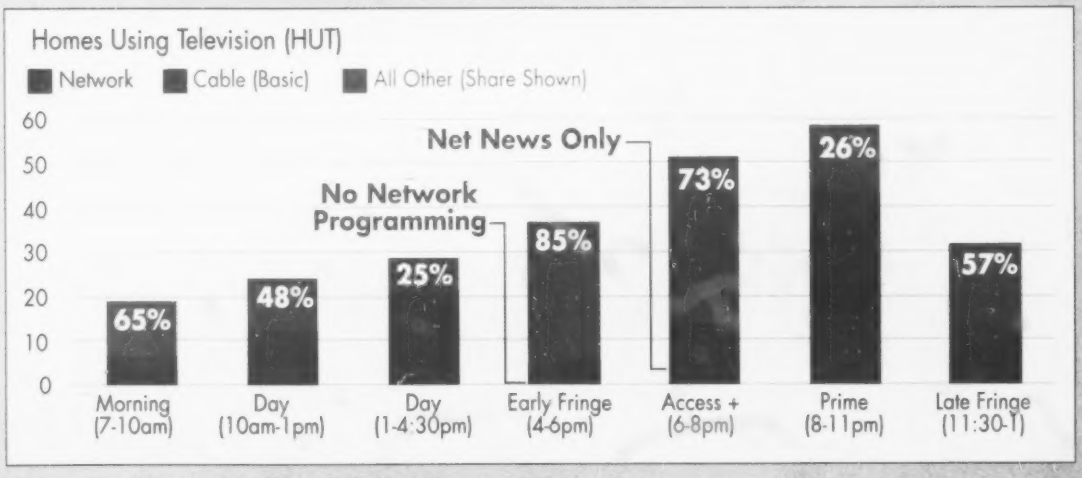
What gives syndicators an advantage is lower overhead. They are not trying to service stations' entire broadcast day, making the successful shows pay for the losers. They keep their staffs low; and they are careful to budget show costs in line with projected revenues.

So Syndication is growing at the expense of Network television because it is in the stations' financial interest. Syndication is

THE BROADCAST DAY (M-F)

Chart F

Network, Cable and All Other Viewing 1989/90 SEASON



Source: Nielsen NAD: Nov. '89, Feb. May & July '90

now dominant in Daytime, Early Fringe, Access, and is gaining in Late Fringe. It has taken a piece out of the weekday afternoon with Kids programming on Independents. If present trends persist, it will be only a matter of time before Syndicated series are running in Prime Time on many stations.

III. SYNDICATION AS AN ADVERTISING MEDIUM

We have seen why TV stations are airing more syndicated shows than ever. What about the group that provides the finances for all this original programming - the national advertiser?

National advertisers are buying Syndication because it is the most direct alternative to Network television in reaching the national TV audience.

Once, advertisers could place their ads on the three networks, secure in the knowledge that they would reach virtually all households in a short time. But competition has changed all that. Though the networks still account for a majority of viewing, their power to deliver mass audiences is dwindling rapidly.

As the mass audience becomes increasingly fragmented, advertisers must place their messages where audiences will find them. And as Syndication is drawing larger and larger audiences, advertisers are using more of it.

As shown in chart F (p 17) makes clear, a significant portion of the TV audience isn't watching Network TV. Even in Prime Time, less than 60% of the TV audience is tuned to the three majors. Their other area of strength is the afternoon soaps (56% share). In other dayparts, they have a much lower share of the total audience --either because their programming is not sufficiently attractive, or because, as in Early Fringe and Prime Access, they don't offer programming.

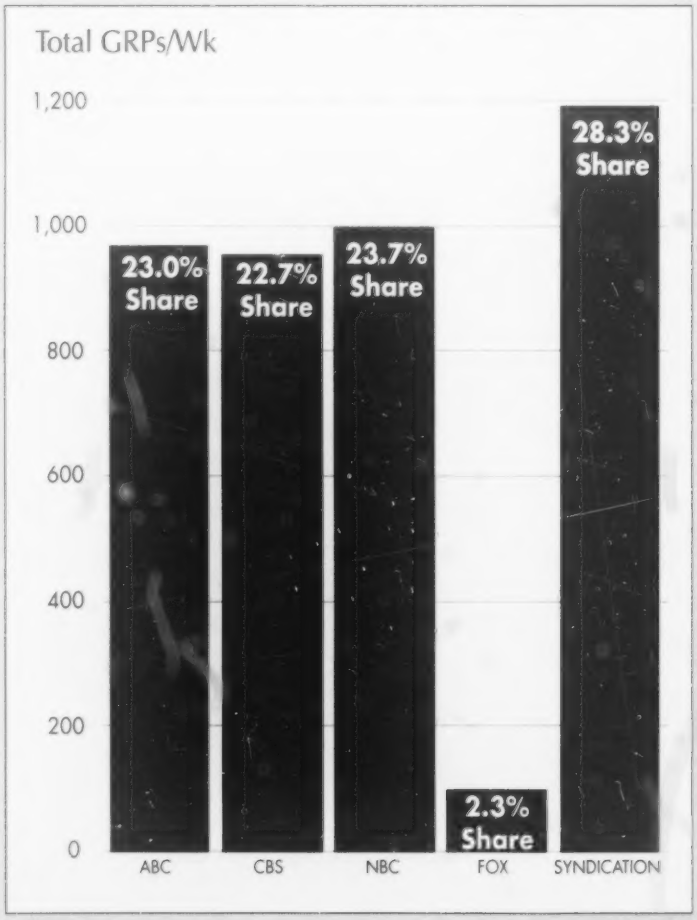
Cable accounts for some non-Network viewing throughout the broadcast day. But Cable's low ratings and coverage - especially in top-20 markets - means that it can only be a partial solution to the fragmentation problem.

More than 75% of all TV viewing is still to broadcast TV; and Syndication is the only national broadcast alternative to Network television.

Network and Syndication

Chart G

Total Weekly audiences (M-S 24 hrs)
Full Year 1989/90



Source: UFBG, 3rd Qtr '90
NSS Pocketpiece

SYNDICATION'S MEDIA BENEFITS

The specific advantages of Syndication to advertisers may be summarized as follows:

1. Large (and increasing) total audience.
2. High ratings
3. National coverage
4. Broad reach
5. Reach vs. special target audiences
6. Efficient delivery

1. Large Audiences

As shown in chart G (p23), in the 1989/90 season Syndication delivered over 28% of the national broadcast audience, vs. an average of 23% for the three major networks. This share will increase in the current season, as the networks are experiencing further audience erosion (-5% in 4th Quarter), while Syndication is up +3%.

2. High Ratings

In daypart after daypart, some of the highest-rated shows are Syndicated shows. As noted in Section I, Syndicated shows are displacing Network shows in Daytime and Late Fringe, and are outperforming the Network news. *Wheel of Fortune* draws a bigger audience than 70% of the three Networks' Prime Time shows - and does it five nights a week. Syndication personalities such as Phil Donahue, Oprah Winfrey and Arsenio Hall have become cultural icons. And in Prime Time, Syndication offers high-rated Movies and Specials.

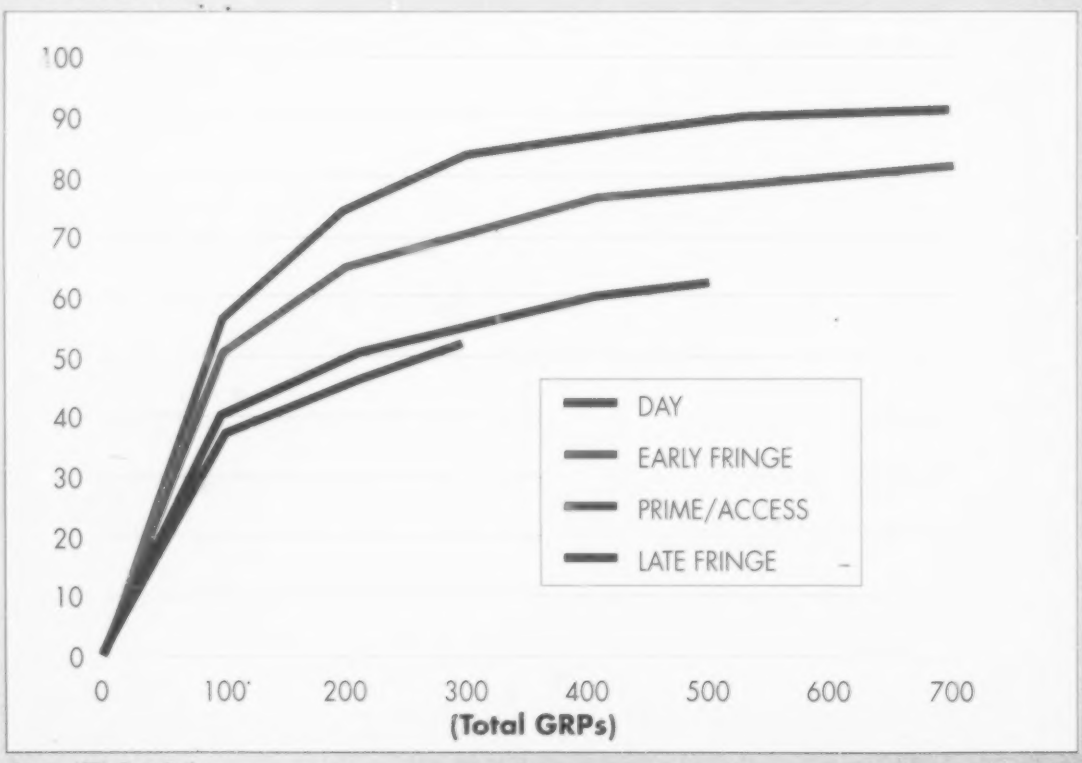
3. National Coverage

Syndication is a fully national medium. The average coverage is 83% of U.S. households, while top shows deliver in

SYNDICATION REACH CURVES
By Daypart (Mar.88/Oct'89)

Chart H

4-WEEK REACH



Source: ASTA: Cume Study.

the high 90s. In Daytime and Late Fringe, many Syndicated shows have higher coverage than the Networks.

4. Broad Reach

Thanks to its large audiences, high ratings and broad coverage, Syndication is an excellent reach vehicle. With the publication in mid-1990 of the offical Nielsen Cume study (which covers Network, Syndication, Cable and Spot), advertisers can fully appreciate Syndication's reach capabilities. ASTA's own Cume study, published in 1989, showed that Syndication builds (see chart H on p 29) audiences in much the same way that Network does, reaching over 90% of U.S. homes. Since then, Syndication has grown as Network ratings have declined, further reducing the difference between them.

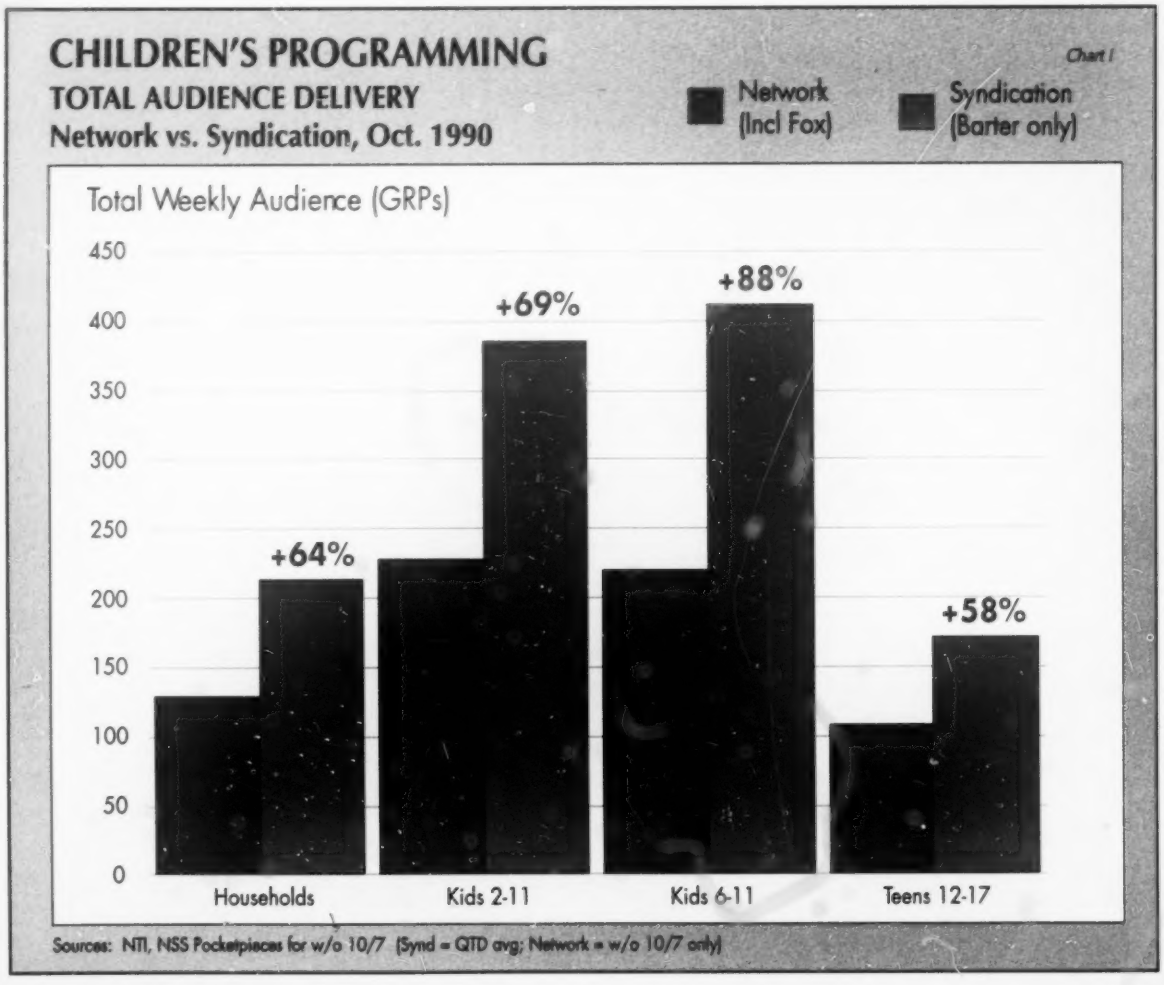
The ASTA Cume study also showed that advertisers could improve their reach by mixing Network and Syndication. Reach was maximized across several dayparts when Syndication accounted for 25% of total weight -consistent with its share of audience.

5. Reach vs. Special Target Audiences

One of Syndication's biggest advantages is its ability to reach special target audiences which are not well served by the Networks including Kids and Teens, younger men, and Working Women.

a. Kids and Teens

As shown below, syndication has given advertisers the ability to reach Kids during the week with some of the most popular (and expensive) animated shows ever produced. Powered by shows such as Disney's *Chip 'n Dale* and *DuckTales*,



Warner's *Tiny Toons* and the ever-popular *Teenage Mutant Ninja Turtles*. Syndication delivers 69% more Kids than the Networks (including Fox) and 58% more Teens. (see chart I, p35)

b. Younger Men and Teens

Syndication has captured the younger-male audience with hip talk shows and science fiction. And music shows such as *America's Top Ten, Soul Train, Pump it Up!* and the *MTV Video Music Awards* do well among both younger adults and Teens

c. Working Women

As more women have gone to work over the past two decades, it has become harder for advertisers to reach them. Syndication can help: twice as many Working Women watch Early Fringe and Access (4-8pm) shows as watch the afternoon soaps. And the highest concentration of Working Women (20% of the audience) is found in Late Fringe, another Syndication stronghold.

6. Efficient Delivery

Syndication has always been an efficient alternative to Network television. Further, Syndicators generally offer guaranteed audience delivery on a scatter as well as an upfront basis. Syndicators' service-based approach to selling was particularly evident in the 1990 upfront season, when they opted to stay with traditional audience guarantees despite volatile shifts in the Nielsen ratings.

IV. CONCLUSION: THE BROADCAST REVOLUTION

Competition is transforming television, and forcing a change in traditional ways of doing business. More change, in the form of new technologies, changed regulations, and different economic conditions, are on the way. In this volatile environment, Advertiser-supported Syndication is well positioned to grow and prosper. It is a system which produces programs which stations can afford, viewers want to watch, and advertisers want to buy. Having arisen in the face of stern competition, it is well adapted to meet the challenges of the 1990s.

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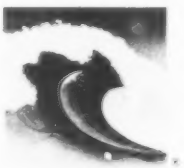

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NEWSPAPER

Advertising Age

March 25, 1991

Crain's International Newspaper of Marketing

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WPP biggest ad group; Burnett top U.S. 'brand'

U.S. gross income of Top 500 up 6.4% to $7.44 billion

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By R. Craig Endicott

WPP Group, led by mega-agency subsidiaries Ogilvy & Mather Worldwide and J. Walter Thompson Co., far outdistanced a trimmed-down Saatchi & Saatchi Co. in 1990 as the world's biggest advertising organization, according to *Advertising Age's* 47th annual Advertising Agency Report.

WPP pushed its gross income to $2.7 billion, well beyond Saatchi & Saatchi's $1.7 billion, a tally minus a consulting division that produced more than $700 million in 1989.

Apart from these London-based international behemoths, Leo Burnett Co. topped all U.S.-based "brand" agencies with gross income of $299.3 million to turn back a challenge from Saatchi & Saatchi Advertising Worldwide with $270.7 million. A "brand" agency is the core agency stripped of its subsidiaries *(see story on Page S-4)*.

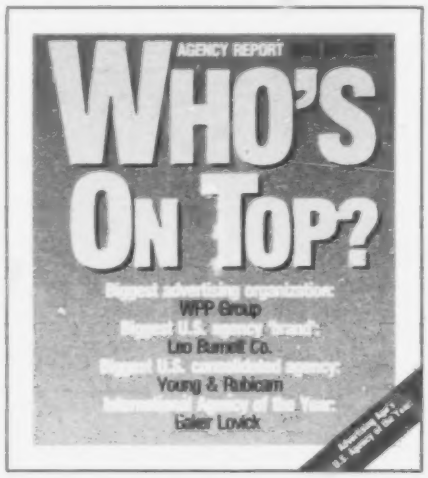
Foote, Cone & Belding Communications finished No. 3 among the branded shops, followed by No. 4 Grey Advertising, No. 5 J. Walter Thompson Co., No. 6 Ogilvy & Mather Worldwide, No. 7 Young & Rubicam, No. 8 McCann-Erickson Worldwide, No. 9 BBDO Worldwide and No. 10 D'Arcy Masius Benton & Bowles *(see chart, Page S-12)*.

Dentsu Inc., Japan's largest agency, continued to be the dominant agency outside the U.S. with gross income of $1.25 billion, well ahead of Paris-based Eurocom Group at $748.5 million. Dentsu actually suffered a slight decline due to a slowdown in advertising and a 7.1% decline in the Japanese yen against the U.S. dollar.

However, a decline in the dollar against stronger European currencies helped push the international contribution in gross income of the *Ad Age* Top 500 U.S. agencies to $5.25 billion, up 18.5%, on billings of $36.01 billion.

U.S. activity by these same 500 agencies rose to $7.44 billion in gross income, up 6.4%, on billings of $53.96 billion. Worldwide, gross income advanced to $12.69 billion, up 11.1%, on billings of $89.97 billion.

The lower U.S. growth rate took its toll on agency jobs. The number of U.S. employees with the Top 500 grew only 1.5%, to 73,045. The employee level abroad for these agencies grew to 66,480, up 7.5%, placing worldwide employment at 139,525, up 4.3%.



These percentages were even more dramatic among the Top 100, where virtually all foreign billings of U.S. agencies are generated. In this group, U.S. employment increased just 0.3% to 54,784 and non-U.S. employment advanced 7.5% to 66,480 for a worldwide increase of 4.1% to 121,264.

The international segment of the report, which ranks 1,031 foreign agencies in 76 countries, was led by Japan with billings of $24.17 billion, down 0.5%, followed by Britain at $11.5 billion, up 18.6%; France at $10 billion, up 33%; Germany at $5.8 billion, up 26%; and Italy at $4.6 billion, up 21%. Growth in European billings was enhanced by a 5.7% rise in the value of the pound, 15.3% growth in the mark and 13.7% improvement in the lira.

Non-U.S. growth in the agency business also sustained the huge U.S.-based consolidated agencies, a group led by Young & Rubicam with $1 billion in gross income, $550.8 million of that coming from outside the U.S.

The composition of agencies on the consolidated chart, *AA's* traditional chart for ranking agencies, differs from that of the Top 50 advertising organizations in that individual segments of these advertising organizations are ranked as consolidated agencies.

Interpublic Group of Cos., No. 3 on the Top 50 chart, for example, isn't ranked on the consolidated chart; its U.S.-based agencies, McCann-Erickson Worldwide and Lintas:Worldwide, are ranked instead *(see chart on Page S-6)*.

Y&R passed McCann-Erickson Worldwide, the perennial leader in foreign gross income among U.S. shops. McCann had foreign gross income of $534.6 million. Y&R also led all U.S.-based consolidated agencies in U.S. gross income with $450.6 million.

The U.S. Top 500 handle most of the U.S. network and spot TV spending. Network TV, which claimed the largest media volume among the Top 500 U.S. brand agencies, helped plant Leo Burnett Co. firmly atop the brand chart by accounting for 43.9% of its media billings, or $894 million. Saatchi & Saatchi Advertising Worldwide, No. 2 to Burnett in the agency brand race, finished second in network TV billings with $858.2 million, up 6.8%.

Network TV accounted for 30.2% of total billings broken out by the Top 500, down from 31.1% in 1989. The medium, however, grew 5.2% from 1989 to $10.2 billion.

Saatchi was the leading spender in spot TV at $584.3 million. Chiat/Day/Mojo was No. 2 at $497.3 million. Spot TV claimed 25.1% of overall media billings of the 500, up from 24.6% of the total in 1989. Spot grew 10.5% to $8.49 billion.

Consumer magazine spending, the third-largest media category, dropped as a per-

(Continued on Page S-4)

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Who's on top in 1990 gross income

Top 10 advertising organizations

Rank	Agency	Worldwide gross income	% chg
1	WPP Group	$2,712.0	12.9
2	Saatchi & Saatchi Co.	1,729.3	9.7
3	Interpublic Group of Cos.	1,649.8	10.4
4	Omnicom Group	1,335.5	13.4
5	Dentsu Inc.	1,254.8	(0.6)
6	Young & Rubicam	1,073.6	16.0
7	Eurocom Group	748.5	58.5
8	Hakuhodo Inc.	586.3	0.1
9	Grey Advertising	583.3	19.1
10	Foote, Cone & Belding Communications	536.2	5.9

(See Page S-8 for a ranking of 50 ad organizations.)

Top 10 U.S.-based consolidated agencies

Rank	Agency	Worldwide gross income	% chg
1	Young & Rubicam	$1,001.4	15.7
2	Saatchi & Saatchi Advertising Worldwide	825.7	11.5
3	Ogilvy & Mather Worldwide	775.3	10.8
4	McCann-Erickson Worldwide	744.7	11.3
5	BBDO Worldwide	723.8	10.2
6	Backer Spielvogel Bates Worldwide	715.6	8.0
7	J. Walter Thompson Co.	690.7	10.3
8	Lintas:Worldwide	676.5	10.4
9	DDB Needham Worldwide	625.2	16.2
10	Grey Advertising	583.3	19.1

(See Page S-6 for ranking of consolidated agencies.)

Top 10 U.S. agency brands

Rank	Agency	U.S. gross income	% chg
1	Leo Burnett Co.	$299.3	3.7
2	Saatchi & Saatchi Advertising Worldwide	270.7	10.1
3	Foote, Cone & Belding Communications	262.7	4.6
4	Grey Advertising	256.3	6.5
5	J. Walter Thompson Co.	251.7	7.1
6	Ogilvy & Mather Worldwide	229.7	2.5
7	Young & Rubicam	216.6	2.7
8	McCann-Erickson Worldwide	210.1	0.5
9	BBDO Worldwide	207.1	10.8
10	D'Arcy Masius Benton & Bowles	204.4	14.6

(See Page S-12 for a ranking of the top U.S. agency brands.)

Notes: Dollars are in millions.

AA chart: Kevin Brown

The winner is: _ _ _ _ _ _ _ _!

AA seeks 'creative breakthrough,' but no shop makes grade in '90

By Fred Danzig

The search for *Advertising Age's* U.S. Agency of the Year has come up empty-handed.

For the first time since *Ad Age* began bestowing "best agency" honors in 1973, the procedure ended with a decision to pass.

Editors and staff, basing their choices entirely on evaluations of creative work, were unable to work up sufficient "best agency" enthusiasm for any one of the shops that landed in the 1990 finals.

The *Ad Age* balloting focuses on creative work rather than agency size, longevity, new business or profitability and growth, so all agencies, theoretically, become eligible for consideration.

Last year, when San Francisco-based Goodby, Berlin & Silverstein was named Agency of the Year for 1989, it was because its work, like that of the 16 agencies previously honored, was marked by a consistent freshness and flair.

Also, the *Ad Age* staff saw an abundance of "breakthrough" qualities in the agency's print and broadcast portfolio. Goodby's creative palette, imbued with wit, understanding and warmth, respected the consumer as well as the client's product or service.

This time around, the judges saw high levels of professionalism, warmth, excellent graphics and sound copywriting, casting, acting, production values and creative craftsmanship. But in the final analysis, no one contender established a clear superiority or produced a dominant "creative breakthrough" for all to gawk at and admire. No "Energizer bunny" idea.

While it's not always essential for agencies to create "breakthroughs" to win Agency of the Year honors, the search is geared to spotting seminal work that can change the advertising landscape—work that leaves excitement in its wake and gives promise of establishing advertising's equivalent of a "new world order," if you will. This didn't happen in 1990.

The work of the finalist agencies, good as they are, was deemed to be not quite as good as, let alone better than, the work they or others had shown in previous years. While there was a goodly amount of clever recycling around, conceptual innovations were in short supply. Some new sparks flashed in already popular continuing campaigns, but it was felt that exceptional, exciting work was missing.

Additionally, it was felt that some of the best TV work of the year had a relatively short shelf life, a faster "wear-out" quotient.

That being the case, the editors felt if they proceeded to name a 1990 Agency of the Year, it would only serve the cause of providing continuity to the *Ad Age* list of winners, not advancing the cause of rewarding clearly superior creative work.

The judges saw high levels of professionalism. But in the final analysis, no one contender established a clear superiority or produced a dominant "creative breakthrough."

During the judging period, as agency executives were asked discreetly for their thoughts on 1990 creative work, a whole lot of head scratching went on. They thought about it, promised to get back to us and finally had to concede it wasn't a vintage year.

We argued whether agencies should get extra credit for maintaining a certain level of creative excellence in their continuing campaigns; we decided they should. But then we asked whether this knack should be enough to win our "best agency" prize. The answer: No.

Many a blank space or "no winner" has appeared in the past on advertising competition lists to note that the work in the category wasn't quite good enough. *Ad Age*, as serious about its awards as any other institution, has reserved the same right to vote "no winner."

For the record, the agencies that made it to the finals, in alphabetical order, were BBDO Worldwide, New York; Bozell, New York; W.B. Doner & Co., Southfield, Mich.; and Eisaman, Johns & Laws, Chicago.

While identifying finalists in a competition that produced no winners might seem to do those agencies no favor, they did make the top of the list in advertising's 1990 body of work, and so they all can derive a measure of pride, glory—and encouragement—on that basis.

As the "no winner" option was debated, the idea gained force and then widened into an attempt to explain what had led to the tail-off in creative work last year.

Why had the general level of agency creative work fallen short of expectations?

The answers came tumbling forth but are summed up by one word: distractions.

The recession, a relatively recent fact of life to the general public and economists, has been nibbling at the advertising business for more than a year. Belt tightening, however, has been going on in the agency business for years, and the constrictions apparently caught up with agencies last year.

Agencies were distracted as clients,

(Continued on Page S-49)

Past winners: U.S.

1989—Goodby, Berlin & Silverstein
1988—Chiat/Day
1987—Leo Burnett USA
1986—Foote, Cone & Belding
1985—Hill, Holliday, Connors, Cosmopulos
1984—BBDO
1983—Fallon McElligott Rice
1982—Ogilvy & Mather
1981—Ally & Gargano
1980—Chiat/Day
1979—Henderson Advertising
1978—(tie) N W Ayer
Young & Rubicam
1977—Needham Harper Worldwide
1976—DKG Advertising
1975—Leo Burnett USA
1974—Scali, McCabe, Sloves
1973—Cunningham & Walsh

Peter Mills, Baker Lovick president-ceo (fourth from l.), celebrates with General Managers Martin Kingston, Toronto; Wayne Robinson, Edmonton; Peter Stringham, Vancouver; Alistair Ross, Calgary; and Fred Stroud, Montreal.

International Agency of the Year

Baker Lovick ads: clear, crisp creative

Canadian agency a unit of BBDO

By Carolyn Lesh

TORONTO—This winter, Baker Lovick took the unusual step of creating a page newspaper ad with almost nothing in it—nothing but outlined, pictureless spaces containing descriptions of five Black & Decker Canada products.

The ad explained that the tools and small appliances were unavailable because of a sellout just weeks after a demonstration TV campaign was launched.

Baker Lovick's TV spots focused on clear consumer benefits and were beautifully shot, highly creative and, like all the agency's work these days, marked by a conceptual freshness.

This ability helped the Canadian agency earn the title of *Advertising Age* International Agency of the Year for 1990.

The BBDO Worldwide unit outshone 62 other agencies from 26 countries to become the seventh agency to win the award. Runners-up were BDDP in France and Saatchi & Saatchi Advertising in New Zealand.

"I've always wanted Baker Lovick to be more than just Canada's best agency," said Boris Damast, exec VP-national creative director. "Our agenda has been international."

Mr. Damast, an Australian, joined the agency three years ago as the first major hire of President-CEO Peter Mills, another Australian, who joined the agency in 1986.

Mr. Mills said one of his first goals was to make the agency more "fashionable" by improving creative. His efforts paid off. Baker Lovick claims it won more awards in 1990 than any other agency in Canada, picking up 22 gold medals at competitions in the U.S., U.K. and Canada.

Baker Lovick posted about $144 million in billings during 1990 from clients including Apple Canada, Chrysler Canada, Gillette Canada, John Deere Ltd., Lever Bros., Polaroid Canada and Wrigley Canada. It's the No. 10 agency in the country, with 248 employees in six offices.

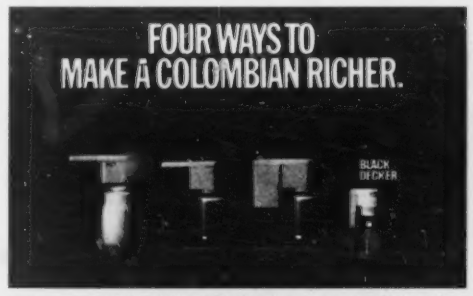
But size hasn't stifled Baker Lovick's creativity, as the Black & Decker spots show. The commercials, written by Mr. Damast, are short on words and long on product demonstration.

One, for the Power Pro Dustbuster, features the product sucking up a coffee filter and the coffee grounds beneath it, a raw egg and an entire glass of a soft drink. There are only seven spoken words: "Power Pro. The most powerful Dustbuster yet."

Mr. Damast used only 10 spoken words to sell Black & Decker's Heat 'N Stick glue gun. His objective was to dramatically show how the product could work with a variety of materials.

In the commercial, a ladder is built with rungs of wood, leather, metal, plastic and ceramic. The rungs aren't inserted into holes, but are attached directly to the lad-

(Continued on Page S-49)



Clever print for Black & Decker proves Baker Lovick's creative focus and clarity.

"That shot," inspired from old Western movies, dramatically displays Chrysler's entire line.

WPP tops Saatchi as biggest ad group

Industry shifts force re-evaluation

It's time for a fresh approach to evaluating the advertising agency business.

Changes in agency ownership structure and competitive patterns have forced the editors of *Advertising Age* to radically shift the way we rank the top 500 U.S. agencies. Rather than list shops by how their income stacks up when their myriad subsidiaries are folded in, we've pulled out the core agencies and left them to stand on their own.

The move makes the ranking more equitable. It refines the ranking of U.S. shops so that no ranked subsidiary's totals are included in its parent's figures.

For example, unlike in last year's main U.S. ranking, AC&R Advertising is not included in Saatchi & Saatchi Advertising Worldwide's returns.

We also have expanded the annual rankings to include the World's Top 50 advertising organizations.

This listing *(see Page S-8)* ranks agencies with agency holding companies or groups. The chart monitors the structural evolution that is blurring the distinction between agencies and holding companies.

The general rule has been that an agency is an operating company, and a holding company isn't. The former makes ads; the latter doesn't. The emerging European and U.S. configurations indicate the difference may be in name only apart from any legal or tax reasons.

For example, FCAB Group and BDDP Worldwide in Paris are both agency and holding company, as are Ketchum Communications and Ross Roy Group. Leo Burnett Co., an operating company in the U.S., has an international holding company for its foreign units.

Combined, the two charts—Top 500 U.S. agency brands and the World's Top 50 advertising organizations—also provide a more complete assessment of agency competitiveness at both the micro and macro levels.

By ranking holding companies and not their mega-agencies, the new chart format avoids the often arbitrary manner in which holding companies divided their units for a consolidated agency ranking.

This practice of subdividing holding companies runs counter to the new holding company structure, in which they unbundle subsidiaries from the main-agency to broaden their potential client base. When this occurs, subsidiaries can compete directly for new business against their former parent.

Ad Age has accommodated this practice of subdividing to maintain continuity in figures from year-to-year, but this methodology was criticized because it enabled two competitive agencies to combine for a higher ranking.

Holding companies also have continued to buy agencies, creating a problem of how to consolidate totals of the new subsidiaries. This raised the recurrent question of whether a new acquisition should be a separate entity or part of an existing mega-agency within the holding company.

When a merger occurred between two subsidiary units of two mega-agencies under a common holding company, the issue became which mega-agency, if any, should take credit for these merged financial results.

Also, some holding companies seeking to boost their gross income and billings have tried to "manufacture" agency numbers. Citing a switch in reporting structures, they would move an agency from one mega-agency group to another. This "trump" card agency would artificially inflate results, possibly enough to leapfrog a competitor on the list.

While the advertising organi-

(Continued on Page S-6)

Which is the biggest agency depends on how you define the term.

This year *Ad Age* has ranked the U.S. agency business the way clients do: On a brand-name basis. The ranking of the 500 top agencies now represents the core agency. Pared from this ranking are subsidiaries who may battle the core agency for account business but then be folded into the core shop to inflate its rank.

Those siblings are added back into the ranking of consolidated agencies on S-6. But as holding companies proliferate, to judge the business by those guidelines seems a less accurate way to reflect the state of the agency business.

(Continued from Page S-1)

centage of the Top 500's media total, from 14.8% in 1989 to 14.4% in 1990 even though the medium grew 4.7% to $4.86 billion. That figure represents about 70% of all consumer magazine spending.

Saatchi & Saatchi spent the most in the medium at $275.2 million, down 11.2%, while Y&R was No. 2 at $238 million, up 4.4%. Four of the top 10 spenders in consumer magazines billed less in 1990 than in 1989.

Newspapers represented 8.3% of the Top 500's media total, down from 9.1% in 1989. The category volume declined by 1.5% to $2.81 billion. Leading spender was Bernard Hodes Group at $147.7 million, up 6.4%. Y&R finished second at $115.1 million, up 1.9%. Five of the top 10 agencies in newspaper ad volume spent less in 1990 than in 1989, with JWT recording the most precipitous drop at 41.8% to $83.6 million.

The two hot broadcast mediums—cable and syndicated TV—continue to draw strong support from the Top 500. Cable grew by 41% to $1.02 billion paced by $125.2 million from D'Arcy Masius Benton & Bowles, agency for the nation's leading cable advertiser, Anheuser-Busch Cos. D'Arcy spending leaped 174% in the medium. DDB Needham Worldwide finished second at $89.1 million, a 57.6% growth.

Syndicated TV showed a dramatic 36.2% gain to $599.7 million. Burnett outspent all agencies with $138.5 million, up 6.1%. D'Arcy was second at $96.9 million, up 21%.

D'Arcy led the Top 500 in spot radio buying with $157.1 million, up 56.6%. Spot radio gained 4% to $2.21 billion among the Top 500. Second-largest spender in the medium was DDB Needham at $102.8 million, down 17.7%.

In Yellow Pages, specialist agency Telephone Marketing Programs dominated all spending at $351.7 million, up 39.5%. D'Arcy was a distant second at $100.7 million. Yellow Pages got a healthy 25.3% increase in billings to $866.2 million.

Burnett paced outdoor spenders with $127.1 million in billings, up 0.6%, and well ahead of second-place finisher Ally & Gargano at $59.5 million, up 112.5%. The Top 500 spent $729.6 million in outdoor, up 11.5%.

Campbell-Mithun-Esty spent $88 million to lead spenders in network radio, which drew billings of $487.4 million from the Top 500.

New York City continued to dominate ad spending among the Top 500 U.S. brand agencies, claiming 45.8% of total U.S. billings, or $24.73 billion, compared with 46% in 1989. Ad growth in the city rose a collective 7.5% among the 174 shops reporting. New York's biggest agency office in billings was Grey Advertising at $1.47 billion.

Chicago finished No. 2 at $6.87 billion, up 5.3% with 72 shops reporting. Burnett paced all city shops with billings of $2.04 billion, the largest tally credited to a single office among U.S. agencies.

Los Angeles came in No. 3 at $4.32 billion, up 8.4% based on 55 agencies reporting. Chiat/Day/-Mojo in nearby Venice led the pack with $384 million.

Detroit, whose auto-dominated billings grew 5.1% to $3.6 billion, ranked No. 4, with JWT's local office billing $462 million as the top shop.

San Francisco finished No. 5 at $1.92 billion, a remarkable 32.8% growth. FCB led the 30 reporting shops with an estimated $340.3 million in billings.

Tokyo fell just short of New York in laying claim to the title of world advertising capital. Tokyo billings were $22.2 billion, just over 91% of the total reported by 40 Japanese agencies. Tokyo is home to 12 of the World's Top 50 advertising organizations, the most of any city. New York is second with 11. London and Paris each have five.

Tokyo was paced by the indomitable Dentsu, with a massive $8.91 billion in billings credited to its Tokyo headquarters.

London was credited with virtually all of Britain's $11.5 billion in billings, where Saatchi & Saatchi Advertising dominated with $1.25 billion in billings.

Agencies located in Paris and environs amassed virtually all France's billings of $10 billion. RSCG France in the Paris suburb of Issy les Moulineaux barely turned back Publicis Conseil, the perennial leader in French advertising billings, with $1.2 billion in billings, compared with $1.16 billion from Publicis.

However, an analysis of billings by U.S. and foreign cities is not comparable because U.S. totals are billings actually generated by shops in local markets, regardless of where the parent agency is headquartered.

Japanese, French and British billings were credited to the headquarters city of the parent, because billings by offices were not available.

There is little doubt, however, that the advertising business is dominated by the national capitals in these countries. □

Total employees, offices for U.S. agencies

Region	Employee totals 1990	1989	% chg	Office totals 1990	1989	% chg
Top 500 agencies						
Worldwide	139,525	133,834	4.3	3,273	3,063	6.9
U.S.	73,045	71,980	1.5	1,174	1,149	2.2
Non-U.S.	66,480	61,864	7.5	2,099	1,915	9.6
Top 100 agencies						
Worldwide	121,264	116,465	4.1	2,724	2,525	7.9
U.S.	54,784	54,601	0.3	625	610	2.5
Non-U.S.	66,480	61,864	7.5	2,099	1,915	9.6

Why Lopex, Aegis were left out

Lopex Group and Aegis Group, two London-based holding companies heavily involved in advertising, have been excluded from the World's Top 50 rankings by *Ad Age*.

Lopex was omitted because its sole advertising returns, based on its large stake in Alliance International Advertising Group, are included with Alliance figures. *Ad Age* seeks to clear "double-dipping" from its charts.

Lopex is considered the investment vehicle that brought agencies together into the Alliance network. It holds various percentages of Alliance network agencies that would equal 50.2% of Alliance's total returns if treated on an equity basis.

Ranking Alliance as the sum of its parts was difficult enough. Alliance is a holding company that independent agencies around the globe invest in, receiving in return the right to carry the Alliance logo and a greater international presence. Alliance doesn't own, per se, its network agencies. The network agencies and Lopex own Alliance.

Alliance management is composed of the agency managers plus two Lopex people. The board forms an executive which decides on network issues such as the amount of central fees paid annually by agencies, regional or central staffing, new business policy, inter-agency agreements, training, etc.

Aegis falls short of the list because the bulk of its business is media buying, not advertising. Aegis is the successor to what used to be called WCRS Group.

Carat, Europe's largest media-buying company, is its primary operation. Other holdings include 40% equity each in Della Femina, McNamee, New York; Wight Collins Rutherford Scott, London; and Ball Partnership in Asia and Australia. (Eurocom owns the remaining 60% of each.)

These holdings gave Aegis gross income of $330 million on billings of $5.8 billion in 1990. Carat itself generated gross income of $265 million on billings of $5.3 billion. □

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Re-evaluation

(Continued from Page S-4)
zation chart may seem to be mixing agencies and holding companies, it essentially is mixing common elements. Agency holding companies have few operations that agencies lack.

Entries on the chart include only the equity held in subsidiaries, whether U.S. or foreign. In a number of cases *Ad Age* editors recalculated submissions to ensure all advertising organizations met this reporting requirement.

In several cases, minority-held subsidiaries are ranked on the World's Top 50 chart along with the advertising organization that holds a minority interest in those shops.

For example, No. 28 Wells, Rich, Greene is 40% owned by No. 15 BDDP Group. Yet WRG is ranked at its full volume in the World's Top 50 because it holds a majority stake in itself.

Profiles of the companies—presented in alphabetical order beginning on Page S-20—identify the few cases where "double-dipping" persists.

Top 500 U.S. agency 'brands'

In this report, *Ad Age* is expanding its coverage of U.S. agency "brands" to all U.S. agencies from the Top 50 U.S. agencies in 1989. This ranking by U.S.-only gross income *(Pages S-12 through S-17)* unbundles subsidiaries from parent totals to allow both to appear on the charts separately without duplication.

A "brand" agency has an identity separate from its subsidiaries. The process of arriving at a "brand" figure generally reduces the company to its core agency by stripping away layers of general agency subsidiaries or specialized services. A list of exclusions is shown on Page S-17.

The "brand" agency concept is controversial among multi-tiered agencies that are trying to become "seamless" even though separate identities may be maintained by some of their units.

Top consolidated U.S. shops

Over the years, the top U.S.-based agencies ranked by consolidated worldwide gross income has been the standard measurement of an agency's size.

This ranking *(see chart)* differs from the Top 50 advertising organizations because it dissects the two-and-or-three-tiered advertising organizations found in the Top 50 into mega-agencies.

This chart appears in this report for the sake of continuity. *Ad Age* believes the charts defining the Top 50 advertising organizations and the U.S. "brand" agencies should supersede it.

Media category rankings

Rankings by 14 media categories *(see Page S-31)* are based on the agency "brand" media totals. Media breakouts were provided by the agencies.

Exchange rates

Agencies converted local currency to dollars using average annual exchange rates compiled by *Ad Age*. The exchange rates for 1990 and 1989 and their percentage growth are shown for each country at the beginning of the country's rankings which start on Page S-22. *Ad Age* maintains separate rates for both reporting years. □

U.S.-based consolidated agencies

Including subsidiary returns reported by parents

Rank 1990	Rank 1989	Agency, headquarters	Total consolidated gross income 1990	Total consolidated gross income 1989	% chg	Total consolidated capitalized volume 1990	Total consolidated capitalized volume 1989	% chg
Agencies ranked by worldwide gross income								
1	1	**Young & Rubicam**, New York	$1,001.4	$865.4	15.7	$7,519.3	$6,250.5	20.3
2	2	**Saatchi & Saatchi Advertising Worldwide**, New York	825.7	740.5	11.5	5,709.4	5,141.4	11.0
3	3	**Ogilvy & Mather Worldwide**, New York	775.3	699.7	10.8	5,374.8	4,828.0	11.3
4	4	**McCann-Erickson Worldwide**, New York	744.7	668.9	11.3	4,993.7	4,496.2	11.1
5	6	**BBDO Worldwide**, New York	723.8	656.6	10.2	5,221.7	4,550.0	14.8
6	5	**Backer Spielvogel Bates Worldwide**, New York	715.6	662.5	8.0	4,899.1	4,509.2	8.6
7	7	**J. Walter Thompson Co.**, New York	690.7	626.4	10.3	4,852.3	4,407.5	10.1
8	8	**Lintas:Worldwide**, New York	676.5	613.0	10.4	4,510.4	4,076.4	10.6
9	9	**DDB Needham Worldwide**, New York	625.2	538.1	16.2	4,591.5	3,985.4	15.2
10	11	**Grey Advertising**, New York	583.3	489.9	19.1	3,910.4	3,267.4	19.7
11	10	**Foote, Cone & Belding Communications**, Chicago	536.2	506.5	5.9	3,554.8	3,371.8	5.4
12	13	**D'Arcy Masius Benton & Bowles**, New York	532.5	471.5	12.9	4,406.7	3,803.1	15.9
13	12	**Leo Burnett Co.**, Chicago	531.8	483.8	9.9	3,585.4	3,245.5	10.5
14	15	**Bozell Inc.**, New York	205.0	190.7	7.5	1,505.0	1,400.0	7.5
15	14	**N W Ayer**, New York	185.9	210.5	(11.7)	1,469.2	1,398.2	5.1
16	17	**TBWA Advertising**, New York	138.3	118.8	16.4	922.0	794.6	16.0
17	16	**Chiat/Day/Mojo**, Venice, Calif.	134.6	131.8	2.1	977.0	925.0	5.6
18	18	**Ketchum Communications**, Pittsburgh	134.2	117.8	14.0	1,030.4	915.7	12.5
19	19	**Scali, McCabe, Sloves**, New York	111.1	110.6	0.4	749.7	725.7	3.3
20	20	**Ross Roy Group**, Bloomfield Hills, Mich.	110.0	100.2	9.8	707.0	651.1	8.6
21	21	**Wells, Rich, Greene**, New York	105.0	95.0	10.5	845.0	765.0	10.5
22	22	**Della Femina, McNamee**, New York	94.3	87.8	7.4	782.0	728.7	7.3
23	28	**Telephone Marketing Programs**, New York	55.8	40.5	37.7	371.9	270.1	37.7
24	23	**W.B. Doner & Co.**, Southfield, Mich.	51.4	52.1	(1.3)	395.4	381.0	3.8
25	24	**Hill, Holliday, Connors, Cosmopulos**, Boston	50.1	51.6	(3.0)	333.9	344.0	(3.0)
Agencies ranked by U.S. gross income								
1	1	**Young & Rubicam**, New York	$450.6	$409.5	10.0	$3,696.4	$3,114.8	18.7
2	3	**Saatchi & Saatchi Advertising Worldwide**, New York	388.3	357.0	8.8	2,740.7	2,524.7	8.6
3	2	**BBDO Worldwide**, New York	370.4	373.6	(0.9)	2,672.8	2,656.0	0.6
4	5	**Ogilvy & Mather Worldwide**, New York	321.7	305.1	5.4	2,219.7	2,104.4	5.5
5	4	**Backer Spielvogel Bates Worldwide**, New York	311.2	310.7	0.2	2,162.8	2,158.0	0.2
6	6	**Leo Burnett Co.**, Chicago	299.3	288.8	3.7	2,035.2	1,945.3	4.6
7	7	**DDB Needham Worldwide**, New York	297.8	288.2	3.3	2,407.9	2,276.3	5.8
8	8	**Foote, Cone & Belding Communications**, Chicago	292.4	280.5	4.2	1,950.3	1,871.2	4.2
9	9	**J. Walter Thompson Co.**, New York	285.2	266.5	7.0	2,010.7	1,851.0	8.6
10	12	**D'Arcy Masius Benton & Bowles**, New York	276.7	232.3	19.1	2,510.9	2,055.3	22.2
11	11	**Grey Advertising**, New York	256.3	240.7	6.5	1,710.0	1,605.3	6.5
12	10	**Lintas:Worldwide**, New York	253.0	248.1	2.0	1,687.6	1,655.1	2.0
13	13	**McCann-Erickson Worldwide**, New York	210.1	209.1	0.5	1,401.4	1,394.8	0.5
14	14	**Bozell Inc.**, New York	155.5	155.4	0.1	1,175.0	1,165.0	0.9
15	16	**Ketchum Communications**, Pittsburgh	121.3	112.9	7.4	944.0	854.9	10.4
16	17	**Ross Roy Group**, Bloomfield Hills, Mich.	106.0	97.0	9.3	707.0	651.1	8.6
17	18	**Wells, Rich, Greene**, New York	105.0	95.0	10.5	845.0	765.0	10.5
18	15	**N W Ayer**, New York	99.4	128.8	(22.8)	892.2	859.1	3.9
19	20	**Della Femina, McNamee**, New York	94.3	87.8	7.4	782.0	728.7	7.3
20	19	**Chiat/Day/Mojo**, Venice, Calif.	88.7	87.8	1.0	682.0	650.0	4.9
21	21	**Scali, McCabe, Sloves**, New York	66.4	72.6	(8.5)	449.5	507.7	(11.5)
22	29	**Telephone Marketing Programs**, New York	52.8	37.8	39.5	351.7	252.1	39.5
23	24	**Lowe & Partners**, New York	48.8	44.6	9.3	325.0	297.3	9.3
24	23	**Admarketing Inc.**, Los Angeles	48.5	44.9	8.0	277.2	252.0	10.0
25	22	**Earle Palmer Brown Cos.**, Bethesda, Md.	48.5	47.4	2.3	378.2	364.1	3.9
Agencies ranked by non-U.S. gross income								
1	2	**Young & Rubicam**, New York	$550.8	$455.8	20.8	$3,823.0	$3,135.7	21.9
2	1	**McCann-Erickson Worldwide**, New York	534.6	459.8	16.3	3,592.3	3,101.4	15.8
3	3	**Ogilvy & Mather Worldwide**, New York	453.6	394.6	15.0	3,155.1	2,723.5	15.8
4	4	**Saatchi & Saatchi Advertising Worldwide**, New York	437.4	383.6	14.0	2,968.7	2,616.7	13.5
5	5	**Lintas:Worldwide**, New York	423.5	364.9	16.1	2,822.8	2,421.3	16.6
6	6	**J. Walter Thompson Co.**, New York	405.5	359.9	12.7	2,841.6	2,556.5	11.2
7	7	**Backer Spielvogel Bates Worldwide**, New York	404.5	351.9	15.0	2,736.3	2,351.2	16.4
8	8	**BBDO Worldwide**, New York	353.4	283.0	24.9	2,548.8	1,894.0	34.6
9	9	**DDB Needham Worldwide**, New York	327.4	249.9	31.0	2,183.6	1,709.1	27.8
10	10	**Grey Advertising**, New York	327.0	249.2	31.2	2,200.4	1,662.1	32.4
11	11	**D'Arcy Masius Benton & Bowles**, New York	255.9	239.2	7.0	1,895.8	1,747.8	8.5
12	12	**Foote, Cone & Belding Communications**, Chicago	243.8	225.9	7.9	1,604.5	1,500.7	6.9
13	13	**Leo Burnett Co.**, Chicago	232.5	195.0	19.2	1,550.3	1,300.2	19.2
14	14	**TBWA Advertising**, New York	96.1	85.6	12.3	640.8	573.0	11.8
15	15	**N W Ayer**, New York	86.5	81.7	6.0	577.0	539.1	7.0
16	18	**Bozell Inc.**, New York	49.5	35.3	40.4	330.0	235.0	40.4
17	16	**Chiat/Day/Mojo**, Venice, Calif.	45.9	44.0	4.3	295.0	275.0	7.3
18	17	**Scali, McCabe, Sloves**, New York	44.6	38.0	17.6	300.2	217.9	37.8
19	21	**Ketchum Communications**, Pittsburgh	13.0	4.8	169.5	86.4	60.8	42.1
20	19	**W.B. Doner & Co.**, Southfield, Mich.	8.8	7.9	11.3	83.6	72.1	16.0

Notes: Dollars are in millions. Rank for 1989 reflects agency's current composition. Agency totals include the returns of all subsidiary agencies ranked in this report and some other advertising-related billings as follows:
BBDO Worldwide: Baxter, Gurian & Mazzei; Frank J. Corbett Inc.; Doremus & Co.; Lavey/Wolff/Swift; Tracy-Locke; Rapp Collins Marcoa (50%).
Backer Spielvogel Bates Worldwide: Campbell-Mithun-Esty; Kobs & Draft.
D'Arcy Masius Benton & Bowles: Medicus Intercon International; Clarion Marketing & Communications; Manning, Selvage & Lee (public relations).
DDB Needham Worldwide: Bernard Hodes Group; Kallir, Philips, Ross; Rapp Collins Marcoa (50%).
Foote, Cone & Belding Communications: Albert Frank-Guenther Law; IMPACT; Vicom/FCB; Publicis-FCB Communications (49%).
Ogilvy & Mather Worldwide: Ogilvy & Mather Direct Response; Ogilvy & Mather Public Relations.
J. Walter Thompson Co.: Thompson Recruitment; Brouillard Communications.
Lintas:Worldwide: Dailey & Associates; Fahlgren Martin.
Saatchi & Saatchi Advertising Worldwide: AC&R Advertising; Cadwell Davis Partners; Cliff Freeman & Partners; Conill Advertising; Klemtner Advertising; Rumrill-Hoyt; Team One.
Scali, McCabe, Sloves: Fallon McElligott; Martin Agency.
Young & Rubicam: Cato Johnson Worldwide; Chapman Direct; Sudler & Hennessey; Creswell, Munsell, Fultz & Zirbel (not ranked separately); Wunderman Worldwide; Dentsu, Young & Rubicam Partnership (including Y&R's 50% equity in Lord, Dentsu & Partners); Lord Einstein O'Neill & Partners (LEO&P is now part of Lord Dentsu; Y&R claimed 49% of its 1990 returns); Burson-Marsteller (media-related billings only).

World's Top 50 advertising organizations

Ranked by equity gross income

Rank '90	Rank '89	Advertising organization, headquarters	U.S.-based agencies included	Worldwide gross income 1990	Worldwide gross income 1989	% chg	Worldwide capitalized billings 1990	Worldwide capitalized billings 1989	% chg
1	1	***WPP Group,*** London	Ogilvy & Mather Worldwide; Ogilvy & Mather Direct Response; J. Walter Thompson Co.; Thompson Recruitment; Brouillard Communications; Scali, McCabe, Sloves; Fallon McElligott; Martin Agency.	$2,715.0	$2,404.0	12.9	$18,095.0	$16,052.0	12.7
2	2	***Saatchi & Saatchi Co.,*** London	Saatchi & Saatchi Advertising Worldwide; AC&R Advertising; Cadwell Davis Partners; Cliff Freeman & Partners; Conill Advertising; Klemtner Advertising; Rumrill-Hoyt; Team One; Backer Spielvogel Bates Worldwide; Campbell-Mithun-Esty; Kobs & Draft.	1,729.3	1,575.8	9.7	11,861.7	10,802.4	9.8
3	3	***Interpublic Group of Cos.,*** New York	McCann-Erickson Worldwide; Lintas:Worldwide; Dailey & Associates; Laurence, Charles, Free & Lawson; Lowe & Partners; Fahlgren Martin.	1,649.8	1,493.7	10.4	11,025.3	9,984.6	10.4
4	5	***Omnicom Group,*** New York	BBDO Worldwide; Baxter, Gurian & Mazzei; Frank J. Corbett Inc.; Doremus & Co.; Lavey/Wolff/Swift; Tracy-Locke; Rapp Collins Marcoa; DDB Needham Worldwide; Bernard Hodes Group; Kallir, Philips, Ross.	1,335.5	1,177.9	13.4	9,699.6	8,405.3	15.4
5	4	***Dentsu Inc.,*** Tokyo	DCA Advertising	1,254.8	1,262.7	(0.6)	9,671.6	9,695.5	(0.2)
6	6	***Young & Rubicam,*** New York	Young & Rubicam; Cato Johnson Worldwide; Chapman Direct; Sudler & Hennessey; Creswell, Munsell, Fultz & Zirbel; Wunderman Worldwide; Dentsu, Young & Rubicam Partnerships (including Y&R's 50% equity in Lord, Dentsu & Partners).	1,073.6	925.6	16.0	8,000.7	6,652.0	20.3
7	11	***Eurocom Group,*** Paris	Della Femina, McNamee	748.5	472.3	58.5	5,065.7	3,195.5	58.5
8	7	***Hakuhodo Inc.,*** Tokyo	Hakuhodo Advertising America	586.3	585.5	0.1	4,529.4	4,449.2	1.8
9	9	***Grey Advertising,*** New York	Grey Advertising	583.3	489.9	19.1	3,910.4	3,267.4	19.7
10	8	***Foote, Cone & Belding Communications,*** Chicago	Foote, Cone & Belding Communications; Albert Frank-Guenther Law; IMPACT; Vicom/FCB; Publicis-FCB Communications (49%).	536.2	506.5	5.9	3,554.8	3,371.8	5.4
11	12	***D'Arcy Masius Benton & Bowles,*** New York	D'Arcy Masius Benton & Bowles; Medicus Intercon International; Clarion Marketing & Communications.	532.5	471.5	12.9	4,406.7	3,803.1	15.9
12	10	***Leo Burnett Co.,*** Chicago	Leo Burnett Co.	531.8	483.8	9.9	3,585.4	3,245.5	10.5
13	13	***Publicis-FCB Communications,*** Paris	Publicis Inc.	430.0	358.8	19.9	2,910.7	2,405.4	21.0
14	14	***Roux, Seguela Cayzac & Goudard,*** Issy les Moulineaux, France	Tatham-Laird & Kudner; Lally, McFarland & Pantello; Messner Vetere Carey Berger Schmetterer.	346.2	224.4	54.3	2,354.5	1,713.1	37.4
15	19	***BDDP Worldwide,*** Boulogne, France	Wells, Rich, Greene.	236.0	151.3	56.0	1,487.4	1,061.2	40.2
16	16	***Bozell, Jacobs, Kenyon & Eckhardt,*** New York	Bozell Inc.; Poppe Tyson.	214.0	201.0	6.5	1,570.0	1,475.0	6.4
17	15	***N W Ayer,*** New York	N W Ayer	185.9	210.5	(11.7)	1,469.2	1,398.2	5.1
18	17	***Tokyu Agency,*** Tokyo	NA	170.3	165.7	2.8	1,387.0	1,322.7	4.9
19	18	***Daiko Advertising,*** Osaka, Japan	NA	159.5	152.1	4.9	1,246.9	1,214.1	2.7
20	22	***Alliance International Advertising Group,*** London	Warwick Baker & Fiore.	141.8	124.9	13.5	945.0	837.9	12.8
21	24	***TBWA Advertising,*** New York	TBWA Advertising.	138.3	118.8	16.4	922.0	794.6	16.0
22	20	***Chiat/Day/Mojo,*** Venice, Calif.	Chiat/Day/Mojo.	136.8	133.5	2.5	991.7	936.3	5.9
23	26	***Ketchum Communications,*** Pittsburgh	Ketchum Communications.	134.2	117.8	14.0	1,030.4	915.7	12.5
24	21	***Dai-Ichi Kikaku Co.,*** Tokyo	NA	133.8	131.0	2.2	916.2	845.0	8.4
25	25	***Dentsu, Young & Rubicam Partnership,*** New York/Tokyo	Lord, Dentsu & Partners.	126.8	118.7	6.9	884.1	836.6	5.7
26	23	***Asatsu Inc.,*** Tokyo	NA	125.0	121.5	2.9	970.3	1,223.7	(20.7)
27	28	***Ross Roy Group,*** Bloomfield Hills, Mich.	Ross Roy Group.	110.0	100.2	9.8	707.0	651.1	8.6
28	30	***Wells, Rich, Greene,*** New York	Wells, Rich, Greene.	105.0	95.0	10.5	845.0	765.0	10.5
29	29	***I&S Corp.,*** Tokyo	NA	104.2	96.3	8.2	833.2	770.2	8.2
30	27	***Yomiko Advertising,*** Tokyo	NA	102.9	100.3	2.5	795.6	753.5	5.6
31	33	***GGT PLC,*** London	GSD&M; Babbit & Reiman Advertising; Martin-Williams.	95.0	87.3	8.8	692.6	620.8	11.6
32	32	***Asahi Advertising,*** Tokyo	NA	88.9	87.4	1.8	522.7	524.5	(0.3)
33	31	***Man Nen Sha,*** Osaka, Japan	NA	87.0	92.0	(5.5)	566.0	601.4	(5.9)
34	35	***FCAB,*** Suresnes, France	Bloom Cos.	83.1	68.4	21.6	600.7	493.1	21.8
35	34	***GGK International,*** Zurich	Lois/GGK Chicago; Lois/GGK New York.	79.3	71.3	11.2	556.7	487.5	14.2
36	38	***Cheil Communications,*** Seoul	NA	73.1	64.2	13.7	274.1	249.3	10.0
37	36	***MPM Propaganda,*** Sao Paulo	NA	65.2	66.2	(1.4)	189.5	198.6	(4.6)
38	46	***Armando Testa Group Worldwide,*** Turin, Italy	Armando Testa Advertising, New York.	63.3	50.5	25.3	481.8	360.5	33.7
39	39	***Nihon Keizaisha Advertising,*** Tokyo	NA	62.5	56.3	11.0	366.3	337.3	8.6
40	40	***Sogei Inc.,*** Tokyo	NA	57.8	53.4	8.2	364.6	330.9	10.2
41	44	***Orikomi Advertising,*** Tokyo	NA	57.5	50.8	13.1	440.0	435.8	1.0
42	50	***Telephone Marketing Programs,*** New York	Telephone Marketing Programs.	55.8	40.5	37.7	371.9	270.1	37.7
43	41	***W.B. Doner & Co.,*** Southfield, Mich.	W.B. Doner & Co.	51.4	52.1	(1.3)	395.4	381.0	3.8
44	42	***Clemenger/BBDO,*** Melbourne	NA	50.7	52.0	(2.4)	317.0	324.8	(2.4)
45	37	***CDP Europe,*** London	NA	50.5	65.0	(22.4)	354.2	405.2	(12.6)
46	43	***Hill, Holliday, Connors, Cosmopulos,*** Boston	Hill, Holliday, Connors, Cosmopulos	50.1	51.6	(3.0)	333.9	344.0	(3.0)
47	48	***Admarketing Inc.,*** Los Angeles	Admarketing Inc.	49.7	46.2	7.6	285.5	260.5	9.6
48	45	***Choo Sanko Advertising Co.,*** Tokyo	NA	49.1	50.6	(2.9)	356.4	376.5	(5.4)
49	47	***Earle Palmer Brown Cos.,*** Bethesda, Md.	Earle Palmer Brown Cos.	48.5	47.4	2.3	378.2	364.1	3.9
50	49	***Oricom Inc.,*** Seoul	NA	46.2	45.3	2.0	174.0	173.6	0.2

Notes: Dollars are in millions. Some of the Top 50 hold minority equity in each other as follows: Publicis-FCB Communications is 49% owned by Foote, Cone & Belding Communications. Omnicom Group owns 46.67% of Clemenger/BBDO. BDDP Worldwide owns 40% of Wells, Rich, Greene. Young & Rubicam and Dentsu Inc. each own 50% percent of Dentsu, Young & Rubicam Partnerships.

U.S. agency brands ranked by gross income

Rank 1990	Rank 1989	Agency, headquarters	U.S. gross income 1990	% chg	U.S. billings 1990
1	1 ✓	**Leo Burnett Co.**, Chicago	$299.3	3.7	$2,035.2
2	3	**Saatchi & Saatchi Advertising Worldwide**, New York	270.7	10.1	1,650.9
3	2 ✓	**Foote, Cone & Belding Communications**, Chicago	262.7	4.6	1,753.2
4	4 ✓	**Grey Advertising**, New York	256.3	6.5	1,710.0
5	5 ✓	**J. Walter Thompson Co.**, New York	251.7	7.1	1,787.4
6	6	**Ogilvy & Mather Worldwide**, New York	229.7	2.5	1,606.1
7	7 ✓	**Young & Rubicam**, New York	216.6	2.7	2,112.3
8	8 ✓	**McCann-Erickson Worldwide**, New York	210.1	0.5	1,401.4
9	10 ✓	**BBDO Worldwide**, New York	207.1	10.8	1,320.1
10	12 ✓	**D'Arcy Masius Benton & Bowles**, New York	204.4	14.6	1,978.2
11	9 ✓	**Lintas:Worldwide**, New York	203.1	1.2	1,354.6
12	11 ✓	**DDB Needham Worldwide**, New York	191.9	5.7	1,631.9
13	13 ✓	**Backer Spielvogel Bates Worldwide**, New York	170.5	(3.7)	1,136.0
14	14 ✓	**Bozell Inc.**, New York	155.5	0.1	1,175.0
15	17 ✓	**Ketchum Communications**, Pittsburgh	121.3	7.4	944.0
16	16 ✓	**Campbell-Mithun-Esty**, Minneapolis	120.3	3.8	392.5
17	18	**Ross Roy Group**, Bloomfield Hills, Mich.	106.0	9.3	707.0
18	19	**Wells, Rich, Greene**, New York	105.0	10.5	845.0
19	15	**N W Ayer**, New York	99.4	(22.8)	892.2
20	21	**Della Femina, McNamee**, New York	94.2	7.3	782.0
21	20 ✓	**Chiat/Day/Mojo**, Venice, Calif.	88.7	1.0	682.0
22	22 ✓	**Tracy-Locke**, Dallas	57.1	2.7	406.3
23	27	**Ogilvy & Mather Direct**, New York	53.1	20.1	354.2
24	33 ✓	**Telephone Marketing Programs**, New York	52.8	39.5	351.7
25	26	**Lowe & Partners**, New York *	48.8	9.3	325.0
26	25	**Admarketing Inc.**, Los Angeles	48.5	8.0	277.2
27	23	**Earle Palmer Brown Cos.**, Bethesda, Md.	48.5	2.3	378.2
28	29 ✓	**Hill, Holliday, Connors, Cosmopulos**, Boston	46.1	4.9	307.5
29	38	**Hal Riney & Partners**, San Francisco *	45.0	33.1	300.0
30	28	**W.B. Doner & Co.**, Southfield, Mich.	42.6	(3.5)	311.8
31	39	**TBWA Advertising**, New York	42.2	26.9	281.2
32	31	**Jordan, McGrath, Case & Taylor**, New York	41.0	6.5	340.0
33	32	**McCaffrey & McCall**, New York	40.2	5.2	268.5
34	35	**Ally & Gargano**, New York	38.2	3.2	328.0
35	36 ✓	**Wunderman Worldwide**, New York	38.1	9.3	254.4
36	37 ✓	**Laurence, Charles, Free & Lawson**, New York	35.7	3.1	284.0
37	30	**Scali, McCabe, Sloves**, New York	34.0	(18.9)	236.1
38	24	**AC&R Advertising**, New York	33.6	(26.7)	291.6
39	40	**Nationwide Advertising Service**, Cleveland	31.4	1.4	209.6
40	43	**Ammirati & Puris**, New York *	30.6	6.8	235.0
41	41 ✓	**Bernard Hodes Group**, New York	30.2	(0.8)	201.4
42	34 ✓	**Levine, Huntley, Vick & Beaver**, New York	29.8	(19.8)	200.8
43	44	**Tatham-Laird & Kudner**, Chicago	28.7	3.7	278.2
44	42 ✓	**Lord, Dentsu & Partners**, New York	28.2	(7.1)	226.2
45	54 ✓	**Cato Johnson Worldwide**, New York	28.2	24.7	191.6
46	48 ✓	**Evans Communications**, Salt Lake City	26.7	11.3	177.0
47	66 ✓	**Clarion Marketing & Communications**, Greenwich, Conn.	26.0	38.4	186.9
48	47 ✓	**Sudler & Hennessey**, New York	26.0	5.7	173.4
49	46	**Warwick Baker & Fiore**, New York	25.8	1.0	170.0
50	49 ✓	**Rapp Collins Marcoa**, Chicago	25.5	7.2	243.2
51	88	**Tarlow Advertising**, New York	25.4	73.7	191.1
52	60	**Thomas G. Ferguson Associates**, Parsippany, N.J.	25.4	23.2	144.3
53	58	**Martin Agency**, Richmond, Va.	25.3	20.2	155.2
54	76 ✓	**Nelson Communications**, New York	25.2	56.3	242.1
55	87 ✓	**Medicus Intercon International**, New York	24.1	63.7	198.3
56	56	**Keller-Crescent**, Evansville, Ind.	23.9	12.1	120.4
57	52	**Dailey & Associates**, Los Angeles	23.7	2.0	178.3
58	50 ✓	**Fahlgren Martin**, Parkersburg, W.Va.	23.2	(1.8)	154.7
59	53	**Direct Marketing Group**, New York *	22.7	(2.3)	146.2
60	55 ✓	**Thompson Recruitment Advertising**, Los Angeles	22.3	3.1	149.0
61	57 ✓	**Kallir, Philips, Ross**, New York	22.2	4.5	181.5
62	51 ✓	**Berry Network**, Dayton, Ohio	21.3	(8.7)	89.6
63	59	**Griffin Bacal**, New York	21.3	3.0	166.3
64	67	**Richards Group**, Dallas	20.9	11.8	140.0
65	77 ✓	**Lavey/Wolff/Swift**, New York	20.4	26.4	136.0
66	68	**Kobs & Draft Advertising**, Chicago *	20.4	14.9	134.3
67	64	**Geer, DuBois**, New York	20.3	3.8	135.0
68	62 ✓	**Bloom Cos.**, Dallas	20.0	0.0	174.1
69	61	**GSD&M**, Austin, Texas	20.0	(1.3)	149.0
70	80	**Team One**, El Segundo, Calif.	20.0	25.2	137.7
71	65 ✓	**Rosenfeld, Sirowitz, Humphrey & Strauss**, New York	19.4	1.6	129.0
72	83	**Avrett, Free & Ginsburg**, New York	19.3	24.2	160.0
73	93	**Margeotes Fertitta & Weiss**, New York	19.2	40.3	124.9
74	73 ✓	**Eisaman, Johns & Laws**, Los Angeles	19.1	14.3	145.2
75	75	**William Douglas McAdams Inc.**, New York *	18.8	14.3	153.2
76	63	**Wyse Advertising**, Cleveland	18.4	(7.4)	147.2
77	74	**Weightman Group**, Philadelphia	18.0	9.1	120.0
78	79	**Bayer Bess Vanderwarker**, Chicago *	17.9	11.5	116.6
79	85	**Kleminer Advertising**, New York	17.6	13.5	134.4
80	69 ✓	**Rubin Postaer & Associates**, Los Angeles	17.5	0.5	163.2
81	81 ✓	**Cramer-Krasselt**, Milwaukee	17.0	7.3	115.5
82	45 ✓	**Lois/GGK New York**, New York	16.9	(35.6)	136.8
83	70 ✓	**Ingalls, Quinn & Johnson**, Boston	16.7	(1.6)	134.4
84	72 ✓	**Davis, Ball & Colombatto**, Los Angeles	16.5	(1.6)	133.2
85	124	**DMCA Direct**, Bridgeton, Mo. *	16.2	75.7	107.8
86	82	**Saugatuck Group**, Westport, Conn.	15.9	2.4	102.4
87	90	**Partners & Shevack**, New York	15.9	12.0	162.0
88	91 ✓	**Tucker Wayne/Luckie & Co.**, Atlanta	15.5	9.6	116.2
89	159 ✓	**Cadwell Davis Partners**, New York	15.1	118.5	101.0
90	89 ✓	**Bowes Dentsu & Partners**, Los Angeles	15.1	5.1	97.1
91	84	**Long, Haymes & Carr**, Winston-Salem, N.C.	15.1	(2.9)	100.8
92	155 ✓	**Chapman Direct Advertising**, New York	15.0	107.7	100.1
93	98	**M.E.D. Communications**, Woodbridge, N.J.	15.0	17.7	100.0
94	105 ✓	**Valentine-Radford**, Kansas City, Mo.	14.6	24.1	97.6
95	100 ✓	**Carmichael Lynch**, Minneapolis	14.4	18.8	105.1
96	94	**Vicom/FCB**, San Francisco	14.3	9.2	95.4
97	71 ✓	**Doremus & Co.**, New York	13.9	(17.6)	102.1
98	96	**Rumrill-Hoyt**, Rochester, N.Y.	13.6	4.4	89.1
99	102	**Al Paul Lefton Co.**, New York	13.5	13.4	85.0
100	101	**Martin-Williams**, Minneapolis	13.3	9.9	108.0
101	133	**Cliff Freeman & Partners**, New York	$13,260.0	56.9	$102,000.0
102	86	**McKinney & Silver**, Raleigh, N.C.	13,172.1	(14.7)	87,815.8
103	107 ✓	**Lois/GGK Chicago**, Chicago	13,075.0	14.7	87,150.0
104	111	**Slater Hanft Martin**, New York	12,965.0	22.4	85,236.0
105	78	**Fallon McElligott**, Minneapolis	12,879.5	(19.7)	97,093.7
106	113	**Mullen Advertising**, Wenham, Mass.	12,795.0	22.4	85,300.3
107	151 ✓	**Eric Mower & Associates**, Syracuse, N.Y.	12,569.7	68.1	86,427.3
108	99 ✓	**Barry Blau & Partners**, Fairfield, Conn.	12,382.0	(0.3)	100,916.0
109	92 ✓	**Asher/Gould Advertising**, Los Angeles	12,150.0	(12.9)	81,000.0
110	97 ✓	**DCA Advertising**, New York	11,875.4	(7.5)	84,841.9
111	108	**Noble Communications**, Springfield, Mo.	11,711.6	5.6	84,477.8
112	106 ✓	**Gross Townsend Frank Hoffman**, New York	11,701.0	(0.5)	78,100.0
113	144 ✓	**Grace & Rothschild**, New York	11,660.0	51.1	79,050.0
114	119 ✓	**Brouillard Communications**, New York	11,132.6	14.3	74,254.7
115	157 ✓	**Robinson, Yesawich & Pepperdine**, Orlando, Fla.	11,019.8	56.5	64,294.2
116	NA	**Goldberg Moser O'Neill**, San Francisco	10,950.0	NA	73,000.0
117	95	**Cabot Communications**, Boston	10,936.0	(16.2)	72,918.1
118	109 ✓	**Liggett-Stashower**, Cleveland	10,900.0	(0.5)	72,400.0
119	117 ✓	**IMPACT**, Chicago	10,635.0	6.0	69,700.0
120	120	**Messner Vetere Berger Carey Schmetterer**, New York	10,470.1	7.6	77,556.5
121	116	**Epsilon Data Management**, Burlington, Mass.	10,398.0	1.6	69,320.0
122	104	**Cole & Weber**, Seattle	10,369.5	(12.5)	83,000.0
123	121 ✓	**Devon Direct Marketing & Advertising**, Berwyn, Pa.	10,300.0	7.3	94,200.0
124	110	**Bentley, Barnes & Lynn**, Chicago	10,288.9	(4.3)	68,592.9
125	118 ✓	**Frank J. Corbett Inc.**, Chicago	10,219.8	3.6	68,156.3
126	115 ✓	**William Cook Agency**, Jacksonville, Fla.	10,209.5	(0.9)	70,248.9
127	122	**Richardson, Myers & Donofrio**, Baltimore *	9,984.4	4.9	62,130.0
128	153 ✓	**Hamilton, Carver & Lee**, Chicago	9,900.0	34.1	63,400.0
129	114 ✓	**Carrafiello-Diehl & Associates**, Irvington, N.Y.	9,765.0	(6.6)	65,150.5
130	140	**Goodwin, Dannenbaum, Littman & Wingfield**, Houston	9,648.0	20.9	63,305.0
131	128	**Dorritie Lyons & Nickel**, New York *	9,609.5	10.3	60,000.0
132	103	**Henderson Advertising**, Greenville, S.C.	9,508.0	(19.8)	70,429.0
133	125 ✓	**Ackerman, Hood & McQueen Advertising**, Oklahoma City	9,449.2	3.8	71,648.0
134	127 ✓	**Hesselbart & Mitten Advertising**, Fairlawn, Ohio	9,422.7	4.7	62,811.4
135	138 ✓	**Bader Rutter & Associates**, Brookfield, Wis.	9,371.2	15.4	62,489.0
136	132	**Jack Levy & Associates**, Chicago	9,314.3	9.9	62,095.5
137	135	**Berenter Greenhouse & Webster**, New York	9,196.0	10.8	66,776.0
138	123	**Meldrum & Fewsmith**, Cleveland	9,127.4	(3.9)	65,294.1
139	126	**Burrell Advertising**, Chicago	8,751.0	(3.3)	58,340.0
140	146 ✓	**North Castle Partners**, Stamford, Conn.	8,690.0	13.0	71,400.0
141	142	**Miller Meester**, Minneapolis	8,600.0	8.9	57,362.0
142	143 ✓	**Romann & Tannenholz**, New York	8,575.1	10.5	54,925.5
143	160	**Frankenberry, Laughlin & Constable**, Milwaukee	8,520.0	25.7	56,800.0
144	150	**Lally, McFarland & Pantello**, New York	8,500.0	13.3	67,100.0
145	162	**Goodby, Berlin & Silverstein**, San Francisco *	8,479.0	25.4	55,165.0
146	141	**Fogarty & Klein**, Houston	8,471.3	7.0	56,475.1
147	139 ✓	**Dugan/Farley Communications**, Upper Saddle River, N.J.	8,433.9	4.8	55,149.5
148	191	**Trahan, Burden & Charles**, Baltimore	8,370.0	61.0	54,800.0
149	112 ✓	**Poppe Tyson**, New York	8,350.0	(20.9)	65,000.0
150	136	**Martin Marshall Jaccoma Mitchell**, New York	8,250.0	0.0	55,000.0
151	171	**Arnold Advertising**, Boston	8,219.7	33.1	56,169.7
152	178 ✓	**Greenstone Rabasca Roberts**, Melville, N.Y.	8,216.4	41.0	54,952.4
153	129 ✓	**Elkman Advertising & PR**, Bala-Cynwyd, Pa.	7,990.5	(7.8)	53,270.0
154	158 ✓	**J. Richard Smith Advertising**, Old Bethpage, N.Y.	7,980.0	15.0	44,029.6
155	130 ✓	**McAdams, Richman & Ong**, Bala-Cynwyd, Pa.	7,965.4	(6.8)	54,000.1
156	154 ✓	**Borders, Perrin & Norrander**, Portland, Ore.	7,757.0	6.8	54,484.0
157	198 ✓	**Cline, Davis & Mann**, New York	7,725.5	56.1	51,295.4
158	149 ✓	**MARC Advertising**, Pittsburgh	7,611.0	0.9	50,765.4
159	147	**Mendoza, Dillon & Asociados**, Newport Beach, Calif.	7,589.4	(1.0)	62,665.2
160	152	**Chuck Ruhr Advertising**, Minneapolis	7,540.0	1.4	58,000.0
161	NA ✓	**Serino Coyne**, New York	7,535.0	NA	58,121.0
162	177	**Buntin Advertising**, Nashville, Tenn.	7,444.1	27.6	49,267.0
163	131	**Marketing Resources**, Overland Park, Kan.	7,374.7	(13.4)	49,190.0
164	164	**Waring & LaRosa**, New York	7,250.0	9.2	62,800.0
165	317	**Lewis & Gace**, Fort Lee, N.J.	7,200.0	213.0	48,702.6
166	137 ✓	**Colle & McVoy**, Minneapolis	7,129.3	(13.0)	50,102.7
167	145	**William R. Biggs/Gilmore Associates**, Kalamazoo, Mich.	7,030.0	(8.8)	47,101.0
168	161 ✓	**Eisner & Associates**, Baltimore	6,976.3	3.2	57,223.3
169	163 ✓	**Grant/Jacoby**, Chicago	6,800.0	1.5	66,200.0
170	167 ✓	**Hameroff/Milenthal/Spence**, Columbus, Ohio	786.3	6.5	44,353.9
171	184 ✓	**Stern Walters Partners**, Chicago	6,753.0	20.8	45,022.0
172	179 ✓	**Price McNabb Advertising**, Asheville, N.C.	6,654.4	15.9	42,606.2
173	168	**Eric Ericson & Associates**, Nashville, Tenn.	6,599.8	4.3	44,020.8
174	170 ✓	**Korey Kay & Partners**, New York	6,562.4	5.0	43,005.2
175	182 ✓	**Austin Kelley Advertising**, Atlanta	6,312.7	12.2	47,138.2
176	201	**Gilbert, Whitney & Johns**, Whippany, N.Y.	6,300.0	32.8	42,000.0
177	165	**McFarland & Drier**, Miami *	6,300.0	(3.1)	42,000.0
178	156 ✓	**Mintz & Hoke**, Avon, Conn.	6,204.0	(13.4)	41,353.0
179	173	**Sacks & Rosen**, New York	6,122.0	1.1	39,700.0
180	185	**Hoffman York & Compton**, Milwaukee	6,108.3	10.7	40,148.4
181	148	**Babbit & Reiman Advertising**, Atlanta	6,100.0	(19.7)	50,411.0
182	134 ✓	**Gearon Hoffman Conlon & Nye**, Boston	6,047.9	(27.2)	39,844.5
183	176 ✓	**Abelson-Taylor**, Chicago	6,039.5	3.2	45,847.2
184	210	**CHC Advertising**, Woodridge, N.J.	6,000.0	33.3	41,500.0
185	174 ✓	**Campbell & Wagman**, Los Angeles	5,970.0	(1.4)	39,800.0
186	NA ✓	**Mars Advertising**, Southfield, Mich.	5,951.3	NA	40,336.7
187	183	**Jordan Tamraz Caruso**, Chicago	5,772.0	3.0	38,480.0
188	166	**VanSant, Dugdale & Co.**, Baltimore	5,710.3	(10.6)	38,069.0
189	181 ✓	**Ad Team**, North Miami Beach, Fla.	5,660.0	0.0	37,450.0
190	195	**Wolf, Mansfield, Bolling**, Buffalo, N.Y.	5,657.0	11.5	45,350.0
191	205	**Dorland Sweeney Jones**, Philadelphia	5,630.6	23.7	40,103.5
192	186	**Kolon, Bittker & Desmond**, Troy, Mich.	5,600.0	1.8	33,500.0
193	217 ✓	**Publicis Inc.**, New York	5,499.0	30.7	44,371.6
194	200	**Stenrich Group**, Glen Allen, Va.	5,485.0	15.1	39,122.6
195	228 ✓	**Cranford Johnson Robinson Woods**, Little Rock, Ark.	5,459.7	39.0	36,415.9
196	193 ✓	**Winius-Brandon**, Bellaire, Texas	5,452.7	7.1	41,544.7
197	172 ✓	**Paolin & Sweeney**, Cherry Hill, N.J.	5,400.0	(11.5)	28,500.0
198	238	**McDougall Associates**, Peabody, Mass.	5,385.0	45.3	35,710.0
199	189	**Cox Landey & Partners**, New York *	5,382.5	0.0	35,000.0
200	209 ✓	**Bender, Browning, Dolby & Sanderson**, Chicago	5,375.0	19.4	35,833.1

Notes: Dollars are in millions

Notes: Dollars are in thousands. ✓ indicates that the agency received signature of an independent accountant verifying figures supplied to AA. * indicates that gross income figures are AA estimates. 1989 rankings are computed from figures reported in 1990. See Page S-17 for methodology.

U.S. agency brands (continued)

Rank 1990	Rank 1989	Agency, headquarters	U.S. gross income 1990	% chg	U.S. billings 1990
201	208 ✓	**Cohen/Johnson**, Los Angeles	$5,347.0	18.3	$35,646.7
202	175 ✓	**Lord, Sullivan & Yoder**, Columbus, Ohio	5,196.3	(11.6)	39,668.6
203	204 ✓	**Pedone & Partners**, New York	5,187.3	13.9	34,585.1
204	196	**Puskar Gibbon Chapin**, Dallas	5,135.0	2.6	39,500.0
205	236 ✓	**Houston Effler & Partners**, Boston	5,110.0	36.6	34,067.0
206	207 ✓	**Girgenti Hughes Butler & McDowell**, New York	5,100.0	12.8	34,000.0
207	194	**Stone & Simons**, Southfield, Mich.	5,090.8	0.0	32,080.3
208	180 ✓	**Jayme Organization**, Cleveland	5,080.7	(11.4)	40,112.1
209	213	**Bonneville Communications**, Salt Lake City	5,049.3	18.7	33,697.5
210	272 ✓	**Schutte & Co.**, Buffalo, N.Y.	5,044.0	62.3	38,447.7
211	241 ✓	**Floathe Johnson Associates**, Kirkland, Wash.	4,972.6	35.5	34,692.7
212	229	**Baxter Gerian & Mazzei**, Beverly Hills, Calif.	4,954.0	26.7	33,000.0
213	322 ✓	**Chernoff/Silver & Associates**, Columbia, S.C.	4,950.2	118.0	26,150.1
214	NA ✓	**Dahlin Smith White**, Salt Lake City	4,942.0	NA	38,399.6
215	197 ✓	**Doe-Anderson Advertising Agency**, Louisville	4,918.3	1.6)	37,434.2
216	279	**Barnum & Souza**, New York	4,900.0	3.3	43,180.0
217	169 ✓	**Albert Frank-Guenther Law**, New York	4,798.0	(23.3)	32,003.0
218	216 ✓	**Wolf Blumberg Krody**, Cincinnati	4,720.8	11.7	31,487.6
219	211 ✓	**Gray Kirk & Evans**, Baltimore	4,702.2	4.6	45,500.0
220	219	**Harris & Drury Advertising**, Fort Lauderdale, Fla.	4,687.8	11.6	31,261.0
221	227	**Marquardt & Roche**, Stamford, Conn.	4,684.6	18.8	30,941.0
222	257 ✓	**Salvati Montgomery Sakoda**, Costa Mesa, Calif.	4,629.6	35.9	30,879.5
223	239 ✓	**Marcus Advertising**, Cleveland	4,621.8	24.7	34,657.7
224	2[illegible] ✓	**Yaffe & Co.**, Southfield, Mich.	4,558.6	26.0	30,390.0
225	24[illegible] ✓	**Ted Thomas Associates**, Philadelphia	4,536.3	25.6	42,318.7
226	214 ✓	**Marketing Support**, Chicago	4,534.5	6.7	37,850.6
227	206	**Taylor Brown Smith & Perrault**, Houston	4,528.5	0.0	30,200.0
228	218 ✓	**Larkin, Meeder & Schweidel**, Dallas	4,510.3	7.2	30,083.5
229	223 ✓	**Stern Advertising**, Pepper Pike, Ohio	4,500.0	11.1	30,000.0
230	188	**Conill Advertising**, New York	4,469.0	(18.3)	24,100.0
231	202 ✓	**Simons Michelson Zieve**, Troy, Mich.	4,450.7	(4.9)	31,600.0
232	212	**Stone, August, Baker Communications Cos.**, Troy, Mich.	4,443.0	1.9	29,321.2
233	187	**Trunk & McCaffrey**, Montclair, N.J.	4,400.0	(20.0)	15,051.1
234	215 ✓	**Keroff & Rosenberg Advertising**, Chicago	4,397.5	3.6	40,290.9
235	203	**Walter Bennett Communications**, Dallas *	4,377.5	(5.8)	28,600.0
236	221 ✓	**Karsh & Hagan**, Englewood, Colo.	4,335.2	4.2	28,016.3
237	220	**Sawyer Riley Compton**, Atlanta	4,303.9	3.0	27,704.4
238	230 ✓	**Juhl Agency**, Mishawaka, Ind.	4,295.0	9.9	32,363.0
239	190	**Lauerer Markin Gibbs**, Maumee, Ohio	4,238.0	(19.5)	29,557.9
240	285 ✓	**Wilson Sculley Associates**, St. Louis	4,214.2	45.8	28,108.7
241	240 ✓	**Franklin Spier Inc.**, New York	4,203.5	13.6	28,037.4
242	256 ✓	**Brierley & Partners**, Dallas	4,140.0	20.2	30,650.0
243	225	**Steinert & Associates**, New York	4,100.0	1.9	28,047.0
244	242	**Glennon & Co.**, St. Louis	4,099.0	12.0	29,762.0
245	232	**Sullivan Higdon & Sink**, Wichita, Kan.	4,093.6	5.4	36,762.3
246	199 ✓	**Haddon Advertising**, Chicago	4,075.0	(15.1)	26,700.0
247	224	**Reimel Carter Advertising**, Philadelphia	4,061.0	0.3	26,369.0
248	264 ✓	**Gerber Advertising Agency**, Portland, Ore. *	4,022.3	23.3	24,489.8
249	246	**Food Group**, New York	3,991.0	10.5	27,801.9
250	231	**Stan Merritt Advertising**, New York	3,973.0	1.8	29,000.0
251	222 ✓	**Leslie Advertising Agency**, Greenville, S.C.	3,931.2	(4.7)	27,848.4
252	270 ✓	**Advertising Works**, Honolulu	3,925.0	24.6	26,000.0
253	255	**Kaufman & Maraffi Advertising**, New York	3,920.0	13.2	25,478.7
254	234 ✓	**Lawrence Butner Advertising**, New York	3,786.8	0.0	25,240.4
255	253 ✓	**Harris, Baio & McCullough**, Philadelphia	3,739.1	7.5	24,928.1
256	251	**Quest Business Agency**, Houston	3,685.4	5.6	25,004.8
257	192	**Newmark, Posner & Mitchell**, New York	3,674.0	(28.1)	23,632.4
258	252	**Rubin Reid Noto & Ehrenthal**, New York	3,670.0	5.2	36,567.0
259	276 ✓	**Lockhart & Pettus**, New York	3,655.0	19.6	24,367.0
260	291	**S.R. Leon Co.**, Oyster Bay, N.Y.	3,637.2	29.1	24,239.6
261	278 ✓	**Fitzgerald & Co.**, Atlanta	3,616.3	20.3	24,355.0
262	380	**Buckley DeCarchio Cavalier**, New York *	3,600.0	128.6	24,000.0
263	258 ✓	**Forsythe Marcelli Johnson Advertising**, Newport Beach, Calif.	3,587.2	7.2	24,030.3
264	235 ✓	**Lyons Inc.**, Wilmington, Del.	3,553.2	(5.3)	21,525.1
265	297 ✓	**Salthouse Torre Norton**, Rutherford, N.J.	3,550.0	34.0	23,678.5
266	336 ✓	**Blunt-Hann-Sersen**, Rutherford, N.J.	3,546.0	72.6	19,705.0
267	274	**Lewis, Browand & Associates**, Oakland, Calif.	3,521.0	13.7	25,174.0
268	250	**Frank C. Nahser Inc.**, Chicago	3,501.3	(1.1)	25,812.6
269	265	**Hallmark Advertising**, Pittsburgh	3,500.0	7.4	19,480.0
270	280 ✓	**S.J. Weinstein Associates**, New York	3,500.0	16.7	21,000.0
271	226	**McKinney Inc.**, Philadelphia	3,484.0	(12.0)	26,714.0
272	289 ✓	**Hitchcock Fleming & Associates**, Akron, Ohio	3,449.8	21.9	22,652.8
273	269	**Stephan & Brady**, Madison, Wis.	3,405.1	7.9	26,069.2
274	294 ✓	**Duffy & Shanley**, Providence, R.I.	3,394.0	25.5	22,638.1
275	303 ✓	**Umphenour Martin Lonsdorf**, Atlanta	3,341.1	31.2	22,714.6
276	254 ✓	**Kolesar & Hartwell**, Minneapolis	3,325.6	(4.1)	21,684.5
277	308	**McConnaughy Barocci Brown**, Chicago	3,325.0	34.3	32,500.0
278	268 ✓	**Clarity Coverdale Rueff**, Minneapolis	3,300.0	3.1	21,515.0
279	284	**Barnhart & Co.**, Denver	3,268.8	12.6	24,0[illegible]
280	260 ✓	**Hughes Advertising**, St. Louis	3,248.7	(2.0)	25,2[illegible]
281	237 ✓	**Goldfarb Hoff & Co.**, Southfield, Mich.	3,218.8	(13.3)	21,467.1
282	282 ✓	**Creative Alliance**, Louisville	3,205.2	9.6	37,910.2
283	273	**Centra Advertising Co.**, St. Louis	3,200.0	3.2	21,300.0
284	266	**Gumpertz/Bentley/Fried**, Los Angeles	3,172.4	(2.6)	24,484.8
285	271	**Finnegan & Agee**, Richmond, Va.	3,116.0	(0.7)	22,055.0
286	247 ✓	**Decker Rickard**, Glastonbury, Conn.	3,100.0	(13.9)	20,677.0
287	302 ✓	**Widman & Co.**, New York	3,100.0	19.2	20,666.0
288	298	**Bauerlein**, New Orleans	3,089.4	17.3	21,729.5
289	316 ✓	**St. George Group**, Pittsburgh	3,088.2	34.0	20,280.0
290	295 ✓	**McKone & Co.**, Irving, Texas	3,087.8	14.4	20,595.7
291	330 ✓	**Rainoldi, Kerzner & Radcliff**, San Francisco	3,084.1	43.7	20,570.6
292	275 ✓	**Sefton Associates**, Grand Rapids, Mich.	3,081.1	0.0	20,485.0
293	259 ✓	**Siddall, Matus & Coughter**, Richmond, Va.	3,073.5	(8.0)	23,360.7
294	281	**McCaffery & Ratner**, New York	3,070.7	3.6	25,270.0
295	359 ✓	**Centric Communications**, Dayton, Ohio	3,040.0	60.4	20,275.0
296	233 ✓	**Davidoff White Good**, Westport, Conn.	3,037.0	(20.1)	20,246.0
297	296	**Waldbillig & Besteman**, Madison, Wis.	3,013.5	12.1	19,713.2
298	293	**Baron & Zarutsky Advertising**, New York *	3,003.7	10.3	19,200.0
299	347	**Simmons, Durham & Associates**, St. Louis *	3,000.0	50.0	20,000.1
300	334	**Rhea & Kaiser Advertising**, Naperville, Ill.	2,992.1	43.5	23,018.2

Notes: Dollars are in thousands

Rank 1990	Rank 1989	Agency, headquarters	U.S. gross income 1990	% chg	U.S. billings 1990
301	283	**Arlan, Lowe & Travis Advertising**, Chicago	$2,977.2	1.8	$23,087.3
302	328	**Lotas Minard Patton McIver**, New York	2,975.0	35.2	20,005.4
303	262 ✓	**Advertising Communications**, Davenport, Iowa	2,965.0	(10.2)	19,665.0
304	248 ✓	**Brady Co.**, Menomonee Falls, Wis.	2,917.7	(18.7)	19,497.9
305	290	**Hammond Farrell**, New York	2,908.6	3.2	19,400.0
306	311 ✓	**Herring Newman**, Seattle	2,853.0	16.9	21,321.5
307	301	**Smith, Badofsky & Raffel**, Chicago	2,845.5	8.7	18,376.6
308	249 ✓	**Gardner Communications**, San Francisco	2,842.5	(20.0)	18,949.2
309	243	**Cosmopulos, Crowley & Daly**, Boston	2,833.3	(22.3)	18,448.0
310	366 ✓	**Intercommunications**, Newport Beach, Calif.	2,828.3	63.0	22,369.0
311	300	**Kelley & Wallwork**, Boston	2,800.0	6.7	18,676.0
312	299	**Kern/Mathai Direct Marketing**, Los Angeles *	2,783.1	6.0	17,328.3
313	288	**T.J. Clark Advertising**, Hingham, Mass.	2,758.0	(2.6)	18,393.0
314	305 ✓	**CPA Inc.**, Key Biscayne, Fla.	2,747.6	10.0	18,215.9
315	286 ✓	**Jason Group**, Short Hills, N.J.	2,725.0	(5.0)	16,125.0
316	320	**Wakeman & deForrest**, Irvine, Calif.	2,725.0	18.9	18,178.0
317	313 ✓	**E.H. Brown Advertising**, Chicago	2,702.2	13.8	18,014.7
318	307 ✓	**Lieberman-Appalucci**, Allentown, Pa.	2,669.8	7.7	18,183.9
319	342 ✓	**Letven/Diccicco**, Horsham, Pa.	2,659.1	31.5	17,727.6
320	292	**Sandven & Associates**, Overland Park, Kan. *	2,635.4	(4.7)	17,569.5
321	277	**Windermere Communications**, Bala-Cynwyd, Pa.	2,625.0	(13.4)	21,200.0
322	267 ✓	**Kuhn & Wittenborn**, Kansas City, Mo.	2,615.0	(19.5)	17,442.1
323	304	**Swanson Russell Associates**, Lincoln, Neb.	2,600.3	2.7	17,247.3
324	315 ✓	**Parker Group**, St. Louis	2,530.6	7.7	19,061.8
325	335 ✓	**Michael & Partners**, Dallas	2,497.0	21.1	16,659.0
326	325 ✓	**Louis London**, St. Louis	2,479.5	11.3	19,188.3
327	310 ✓	**Dudrock DePaul Ficco & Morgan**, Pittsburgh	2,476.0	0.4	19,500.0
328	448	**Omon New York**, New York *	2,470.0	171.4	19,000.0
329	360 ✓	**John Volk Co.**, Chicago	2,460.3	30.6	16,723.6
330	309 ✓	**Penny/Ohlmann/Neiman**, Dayton, Ohio	2,428.9	(1.8)	22,765.0
331	346	**Harris & Love Advertising**, Salt Lake City	2,414.1	20.5	15,923.5
332	331 ✓	**Loeffler Ketchum Mountjoy**, Charlotte, N.C.	2,411.4	13.1	16,084.2
333	332	**Solin Associates**, New York	2,410.0	13.8	23,700.0
334	329 ✓	**Blattner/Brunner**, Pittsburgh	2,366.6	8.5	15,783.0
335	263 ✓	**Berenson, Isham & Partners**, Boston	2,348.9	(28.4)	12,835.3
336	349 ✓	**Fern/Hanaway**, Warwick, R.I.	2,345.8	18.1	15,646.5
337	361	**Sturm Communications Group**, Chicago	2,331.0	24.3	15,307.0
338	314	**Potter Hazlehurst**, East Greenwich, R.I.	2,327.0	(1.6)	17,900.0
339	343	**More Direct**, Minneapolis	2,324.0	15.0	15,501.0
340	364	**Townsend Agency**, Rosemont, Ill.	2,308.1	24.2	15,394.1
341	326	**Stiegler, Wells & Brunswick**, Bethlehem, Pa.	2,285.0	3.8	15,000.0
342	338 ✓	**Rick Johnson & Co.**, Albuquerque, N.M.	2,271.0	11.4	14,008.0
343	352	**Sandler Communications**, New York *	2,266.3	16.1	14,116.1
344	340 ✓	**McFarland Group**, Elm Grove, Wis.	2,239.5	10.2	12,408.0
345	333 ✓	**Marlcom**, Columbus, Ohio	2,182.2	3.8	14,332.3
346	348 ✓	**Admark Inc.**, Topeka, Kan.	2,180.6	9.1	9,632.5
347	363	**Meyer & Wallis**, Milwaukee	2,138.0	14.7	16,252.0
348	357 ✓	**John Risdall Advertising**, New Brighton, Minn.	2,131.2	11.1	14,217.9
349	321	**Maris West & Baker**, Jackson, Miss.	2,113.3	(7.2)	14,093.8
350	344	**Cronin & Co.**, Glastonbury, Conn.	2,110.0	4.7	15,810.0
351	NA	**Lou Beres & Associates**, Chicago *	2,103.6	NA	13,900.0
352	356 ✓	**Roni Hicks & Associates**, San Diego	2,099.4	8.9	13,734.4
353	306 ✓	**Goble & Associates**, Chicago *	2,073.6	(16.7)	13,028.1
354	459 ✓	**TH&M Advertising**, Irvine, Calif.	2,066.5	162.2	16,797.1
355	381	**Sargent & Potratz**, Brookfield, Wis.	2,039.6	30.0	13,445.0
356	365 ✓	**Battenberg, Fillhardt & Wright**, San Jose, Calif.	2,036.5	9.6	13,580.8
357	350	**Bailey Lauerman & Associates**, Lincoln, Neb.	2,032.1	3.4	13,595.5
358	323 ✓	**Pagano Schenck & Kay**, Providence, R.I.	2,029.8	(10.2)	13,481.4
359	345 ✓	**Fessel, Siegfriedt & Moeller Advertising**, Louisville, Ky.	2,020.9	0.9	13,520.8
360	385	**Kupper Advertising**, St. Louis	2,020.0	31.2	23,169.5
361	367	**Phillips Miller Speyer & Frost**, Amityville, N.Y.	2,016.2	16.2	12,790.1
362	337	**August, Bishop & Meier**, Chicago	2,008.7	(1.7)	15,479.3
363	341 ✓	**Scharlberg & Associates**, Jenkintown, Pa.	2,004.7	(0.9)	13,251.7
364	358 ✓	**Aves Advertising**, Grand Rapids, Mich.	2,001.0	5.0	13,604.1
365	369 ✓	**Wendt Advertising Agency**, Great Falls, Mont.	1,987.1	15.4	13,320.5
366	403 ✓	**Falcone & Associates Marketing**, Chatham, N.J.	1,986.6	45.3	13,249.0
367	319 ✓	**Image Dynamics**, Baltimore	1,977.0	(13.9)	20,500.0
368	374 ✓	**Harmon Smith**, Kansas City, Mo.	1,966.0	20.3	15,065.7
369	424 ✓	**Combs & Heathcott**, Little Rock, Ark.	1,918.6	76.9	13,438.6
370	318	**Launey, Hachmann & Harris**, New York	1,866.8	(18.7)	12,233.3
371	404	**Kingswood Advertising**, Ardmore, Pa.	1,857.1	38.8	12,386.6
372	376	**Capener Co.**, San Diego, Calif. *	1,855.8	14.8	12,073.0
373	355 ✓	**Penny & Speier**, Houston	1,855.1	(4.1)	17,239.7
374	377	**Peter A. Mayer Advertising**, New Orleans	1,850.4	14.6	12,200.1
375	379 ✓	**Strategic Promotions**, Dallas	1,825.3	15.7	11,982.0
376	413 ✓	**CLA Advertising**, Encino, Calif.	1,825.0	46.0	12,200.0
377	261 ✓	**Soghigian & Macuga**, Washington	1,799.5	(45.6)	13,076.5
378	396 ✓	**Adams Colway & Associates**, Rochester, N.Y.	1,788.3	25.3	12,278.9
379	287 ✓	**Harris & West Advertising**, Minneapolis	1,779.0	(37.3)	14,589.6
380	390 ✓	**FKQ Advertising**, Clearwater, Fla.	1,778.6	19.5	10,508.1
381	368 ✓	**Advertising, Boelter & Lincoln**, Madison, Wis.	1,778.2	2.9	11,748.0
382	312 ✓	**Mitchell & Comer**, Toledo, Ohio	1,777.8	(26.5)	6,792.7
383	354	**J.P. Hogan & Co.**, Knoxville, Tenn.	1,687.6	(13.1)	11,129.4
384	384 ✓	**Esroc Advertising**, Orland Park, Ill.	1,678.6	9.0	11,193.0
385	405	**Rauh, Good, Dario & Barnes Advertising**, Los Gatos, Calif.	1,659.8	25.0	10,786.1
386	392 ✓	**Princeton Partners**, Princeton, N.J.	1,647.7	12.4	10,303.4
387	395 ✓	**Grant Marketing Communications**, Lafayette Hill, Pa.	1,625.9	12.1	11,004.5
388	351 ✓	**Adair-Greene Advertising**, Atlanta	1,625.2	(17.0)	12,494.8
389	373 ✓	**Sage Marcom**, Syracuse, N.Y.	1,607.5	(1.9)	11,459.5
390	394 ✓	**Significs Inc.**, Rochester, N.Y.	1,606.6	9.9	10,715.9
391	370 ✓	**Semel/Kaye & Co.**, Northbrook, Ill.	1,602.5	(6.7)	8,003.7
392	408	**Dugan, Valva Associates**, Morristown, N.J.	1,593.5	21.2	10,283.4
393	383	**Winterkorn Lillis**, Rochester, N.Y.	1,586.6	2.0	10,582.7
394	375 ✓	**Donald L. Arends**, Oak Brook, Ill.	1,581.0	(2.2)	10,540.5
395	419 ✓	**Hill & Partners**, Bala-Cynwyd, Pa.	1,579.9	36.6	7,589.8
396	378 ✓	**Beckman Meany**, Albany, N.Y.	1,541.7	(3.2)	10,902.7
397	400 ✓	**San Jose & Associates**, Chicago	1,538.2	9.4	10,254.6
398	398	**R.L. Couch & Co.**, Irvine, Calif.	1,538.2	9.0	10,258.5
399	401	**Fletcher, Gampper & Wirth**, Kansas City, Mo.	1,531.3	9.1	12,384.2
400	372 ✓	**Rivers Trainor Doyle & Walsh**, East Providence, R.I.	1,526.6	(6.9)	9,971.1

Notes: Dollars are in thousands. ✓ indicates that the agency received signature of an independent accountant verifying figures supplied to AA. * indicates that gross income figures are AA estimates. 1989 rankings are computed from figures reported in 1990. See Page S-17 for methodology.

U.S. agency brands (continued)

Rank 1990	Rank 1989	Agency, headquarters	U.S. gross income 1990	U.S. gross income % chg	U.S. billings 1990
401	388 ✓	**Ira Thomas Associates,** Youngstown, Ohio	$1,519.2	1.8	$15,868.9
402	362 ✓	**Sullivan & Brownell,** Randolph, Vt.	1,503.6	(19.4)	9,430.6
403	324	**Spencer Bennett Nowak,** Seekonk, Mass.	1,500.0	(33.3)	10,000.0
404	NA ✓	**Turtledove Clemens,** Portland, Ore.	1,500.0	NA	10,000.0
405	397 ✓	**Martz & Wadas,** Scottsdale, Ariz.	1,481.8	5.0	10,289.9
406	461 ✓	**Bryan, Brown & Malinsky,** New Haven, Conn.	1,455.7	87.3	9,087.0
407	409 ✓	**Nordensson Lynn & Associates,** Tucson, Ariz.	1,450.7	11.6	9,835.5
408	339	**Lee & Riley,** Minneapolis	1,446.3	(29.0)	9,608.6
409	402 ✓	**Gray Baumgarten Layport,** Pittsburgh	1,436.1	3.9	9,348.5
410	393 ✓	**Cascino & Purcell,** Atlanta	1,435.1	(1.9)	9,571.8
411	417 ✓	**Gregory Inc.,** Cleveland	1,430.5	21.3	9,409.9
412	432 ✓	**Burris Creech,** High Point, N.C.	1,423.2	40.8	8,792.6
413	382 ✓	**Haselow & Associates,** Cleveland	1,407.5	(10.1)	9,387.9
414	426 ✓	**Landers & Partners,** St. Petersburg, Fla.	1,405.0	31.5	9,281.8
415	415 ✓	**Sanna, Mattson, MacLeod & Macri,** Smithtown, N.Y.	1,401.0	16.5	9,166.7
416	420	**Bellwether Communications,** Racine, Wis.	1,380.1	25.1	8,575.0
417	353 ✓	**Simms & McIvor,** Somerville, N.J.	1,375.3	(29.3)	11,473.4
418	437 ✓	**Coakley Heagerty Cos.,** San Jose, Calif.	1,369.6	37.8	11,080.9
419	386 ✓	**Hiebing Group,** Madison, Wis.	1,365.1	(11.3)	10,476.5
420	387	**Beaumont, Heller & Sperling,** Reading, Pa.	1,358.2	(11.3)	9,483.1
421	NA ✓	**Wiken Promotion & Advertising,** Wayzata, Minn.	1,355.1	NA	6,761.4
422	391 ✓	**G. Temple Associates,** Southfield, Mich.	1,335.7	(9.2)	8,745.5
423	411	**Zubi Advertising Services,** Miami	1,314.9	3.7	8,505.3
424	NA	**Shipley Associates,** Wilmington, Del. *	1,300.0	NA	8,671.0
425	412 ✓	**Pierson & Flynn,** Chicago	1,288.3	1.8	8,335.1
426	422 ✓	**Lortz Direct Marketing,** Omaha, Neb.	1,275.8	16.2	12,321.5
427	371 ✓	**Furman Roth Advertising,** New York	1,268.1	(23.4)	8,383.8
428	416 ✓	**Quality & Co.,** Chicago	1,250.0	4.2	8,750.0
429	414 ✓	**Nemer, Fieger & Associates,** Minneapolis	1,235.3	2.2	8,226.0
430	407 ✓	**Lessing-Flynn Advertising Co.,** Des Moines	1,232.8	(6.4)	8,437.7
431	496 ✓	**BelMed Advertising,** Harrison, N.Y.	1,226.0	173.7	7,735.0
432	327 ✓	**Harris Advertising,** Ann Arbor, Mich.	1,200.0	(45.5)	6,870.0
433	458	**Reid & O'Donahue Advertising,** Montgomery, Ala.	1,200.0	50.0	8,000.0
434	423 ✓	**Daniel Glassman Advertising,** Fairfield, N.J.	1,170.0	7.3	7,100.0
435	433 ✓	**Graff-Sherman Advertising,** Palo Alto, Calif.	1,160.3	15.2	7,390.5
436	430 ✓	**Kopf Zimmermann Schultheis,** Melville, N.Y.	1,121.3	7.4	7,055.3
437	452	**Vawter & Vawter,** Savannah, Ga.	1,120.0	28.7	6,800.4
438	427 ✓	**Tepe, Hensler & Westerkamp,** Cincinnati	1,096.2	1.5	8,724.0
439	494	**Kobs, Gregory & Passavant,** Chicago *	1,082.3	127.0	7,014.6
440	444 ✓	**Adelante Advertising,** New York	1,073.6	16.2	7,034.5
441	450 ✓	**Douglas Samuel Advertising,** Montvale, N.J.	1,073.0	21.4	5,620.4
442	446 ✓	**Hively Agency,** Houston	1,043.5	14.1	7,387.7
443	425 ✓	**George P. Clarke Advertising,** New York	1,037.2	(3.6)	6,857.6
444	436 ✓	**Duke Unlimited,** Metairie, La.	1,034.0	3.8	5,938.1
445	389	**Ad Hoc Marketing Resources,** New York	1,033.8	(30.6)	6,673.9
446	440	**Laven, Fuller & Perkins Advertising/Marketing,** Chicago	1,028.7	5.7	6,857.8
447	441 ✓	**Smith Lask Associates,** Chicago *	1,026.8	6.3	6,795.4
448	439 ✓	**Stein, Kilpatrick & Rogers Advertising,** New York	1,022.3	4.7	4,683.1
449	421 ✓	**McKee Advertising,** Elk Grove Village, Ill.	1,013.8	(8.9)	8,927.3
450	410 ✓	**Thielen & Associates,** Fresno, Calif.	1,002.4	(22.9)	6,613.2
451	464	**Philips-Miller & Associates,** New York	1,000.2	33.4	6,670.2
452	435	**Hull & Signorile,** Florham Park, N.J. *	1,000.0	0.0	6,670.0
453	443 ✓	**Communicators Group,** Brattleboro, Vt.	995.9	6.1	8,131.2
454	428 ✓	**Delano Marketing Communications,** Valhalla, N.Y.	975.1	(7.1)	5,781.2
455	456 ✓	**Saxton Communications Group,** New York	943.0	15.0	6,239.9
456	469 ✓	**Shepler/CoQA & Co.,** Hickory, N.C.	935.3	29.4	4,705.1
457	399 ✓	**Communique,** Brookfield, Wis.	930.0	(34.1)	6,550.4
458	478	**Kert Advertising,** Fort Lauderdale, Fla.	918.1	49.4	11,282.5
459	449	**Gallagher Group,** New York	915.8	1.8	6,105.0
460	468	**Fensholt Marketing Communications,** Lombard, Ill.	892.5	22.1	5,937.3
461	447 ✓	**Stevens Kirkland Kreer,** Chicago	870.6	(4.4)	6,445.2
462	418 ✓	**Tri-State Advertising Co.,** Warsaw, Ind.	870.1	(24.8)	5,723.1
463	445	**Polese Clancy,** Boston	866.4	(6.0)	5,081.6
464	484 ✓	**Geoghegan/Griffiths,** Cincinnati	855.7	51.4	5,593.4
465	519 ✓	**National Response Corp.,** Dallas	850.9	165.1	3,114.4
466	455 ✓	**Perry Ballard/advertising,** St. Joseph, Mich.	840.0	2.1	5,643.0
467	473 ✓	**Grob & Co.,** Cambridge, Mass.	836.7	23.0	5,581.1
468	477	**Steen Advertising Corp.,** Elmont, N.Y.	835.3	35.6	5,471.0
469	460	**FitzSimons Advertising & PR,** Cleveland	823.7	5.7	5,493.9
470	434 ✓	**TCI Advertising,** Stamford, Conn.	821.7	(18.0)	6,068.5
471	462 ✓	**Sheldon Fredericks Advertising,** Stamford, Conn.	815.0	5.0	5,275.0
472	406 ✓	**Woikeas Advertising,** Albany, N.Y.	803.7	(39.3)	7,395.9
473	528 ✓	**Pollak Levitt Chaiet,** Atlanta	793.8	186.7	5,245.6
474	454 ✓	**Lardis, McCurdy & Co.,** Meriden, Conn.	793.0	(4.6)	4,368.0
475	475 ✓	**Sader & Associates,** New York	790.1	17.8	5,267.6
476	442 ✓	**Richard Yeager Associates,** Moorestown, N.J.	788.6	(16.7)	6,267.2
477	457	**Reynolds-Sullivan Advertising,** Mobile, Ala.	784.9	(3.7)	4,260.0
478	465 ✓	**D.P.L. Advertising,** Battle Creek, Mich.	781.3	4.9	5,094.8
479	466 ✓	**Smith Advertising & Associates,** Fayetteville, N.C.	748.7	1.0	5,318.9
480	476 ✓	**Ad-Pro,** Sycamore, Ill.	735.2	16.1	4,696.9
481	429 ✓	**Jules Rabin Associates,** Valley Stream, N.Y.	711.0	(32.2)	3,853.4
482	431	**Smith & Yehle,** Kansas City, Mo.	706.5	(30.1)	4,633.0
483	467	**K.I. Lipton Inc.,** Doylestown, Pa.	705.8	(4.2)	4,450.0
484	451 ✓	**Brashe Advertising,** Jericho, N.Y.	705.1	(19.4)	4,678.5
485	502	**Turk Group,** New York	700.0	75.0	7,566.8
486	472 ✓	**Scopes-Garcia-Carlisle,** Salt Lake City	693.0	0.7	5,697.5
487	474 ✓	**Don Wise & Co.,** New York	675.0	0.0	4,500.0
488	488 ✓	**Bramson & Associates,** Los Angeles	674.6	30.4	4,116.8
489	471 ✓	**Kocs, Wesson & Associates,** Brookfield, Wis.	667.5	(3.3)	4,450.0
490	470	**Hood, Light & Geise,** Harrisburg, Pa.	666.5	(4.0)	4,384.0
491	487 ✓	**Jiloty Communications,** Holly Hill, Fla.	639.2	23.4	4,167.5
492	486	**Martin Thomas,** Providence, R.I.	636.4	20.0	4,202.3
493	453 ✓	**Praco Ltd.,** Colorado Springs, Colo.	630.4	(24.5)	4,203.5
494	500	**Nutrition Marketing,** Englewood, N.Y.	630.0	55.6	4,200.0
495	497	**Integrated Target Marketing,** Cleveland *	622.6	42.1	4,038.3
496	480	**Patterson Advertising Agency,** Topeka, Kan.	616.5	3.6	3,979.5
497	516 ✓	**Donnelly & Duncan,** E. Providence, R.I.	602.9	82.4	4,021.1
498	492 ✓	**Kinzie & Green,** Wausau, Wis.	591.4	23.0	3,821.9
499	463 ✓	**Smith, Dorian & Burman,** West Hartford, Conn.	590.2	(23.4)	3,936.5
500	482 ✓	**Marken Communications,** Santa Clara, Calif.	566.8	(4.3)	4,780.0
501	485 ✓	**DFK Advertising,** New York	$563.0	0.0	$3,700.3
502	438 ✓	**Haynes & Pittenger Direct,** Indianapolis	548.4	(44.8)	3,670.5
503	490 ✓	**Kaufman Goldman Stral,** Chicago	533.2	5.3	3,503.2
504	481 ✓	**A.J.M.,** Foster City, Calif.	532.4	(10.3)	3,466.9
505	514 ✓	**Montgomery & Partners,** Reading, Pa.	530.8	54.5	3,373.3
506	505 ✓	**Hinton & Steel,** Seattle	515.0	30.9	3,562.9
507	507	**MSA Advertising,** Philadelphia	509.6	34.3	3,097.4
508	491	**Intersouth Creative Group,** Tampa, Fla. *	508.4	3.3	3,367.2
509	511 ✓	**Opus Group,** Ridgewood, N.J.	502.2	39.7	3,197.7
510	508 ✓	**Hogan & Associates,** Shawnee Mission, Kan.	496.4	34.6	3,209.2
511	504	**R.J. Tucker & Associates,** Schaumburg, Ill.	492.2	25.0	3,183.1
512	499	**Villing & Co.,** Mishawaka, Ind. *	487.8	16.6	3,165.4
513	NA	**Fingerote & Fingerote,** Monterey, Calif.	486.2	NA	3,242.6
514	515 ✓	**G. Duff Associates,** Somerville, N.J.	486.0	43.4	3,100.0
515	510	**Holtzman & Silverman,** Farmington Hill, Mich. *	484.6	34.5	3,200.0
516	479	**Exclamation Point Advertising,** Billings, Mont.	482.1	(20.7)	3,511.1
517	495 ✓	**Weber, Geiger & Kalat,** Dayton, Ohio	474.9	3.4	3,048.3
518	483 ✓	**MarketAide,** Salina, Kan.	455.6	(20.1)	3,039.0
519	489 ✓	**Glasheen Advertising,** San Clemente, Calif.	439.0	(13.9)	2,928.1
520	520 ✓	**R.J. Hunter & Associates,** Exton, Pa.	428.0	34.6	2,864.0
521	503 ✓	**CTS Associates,** Detroit	422.9	5.8	2,454.1
522	NA ✓	**Andreozzi Schartman Aucone,** New York	419.3	NA	2,795.8
523	513	**Burgess, Brewer, Stanyon & Payne,** Portland, Maine	407.9	14.8	2,684.7
524	512 ✓	**Fruchtman & Rosen,** Toledo, Ohio	402.5	12.1	2,619.7
525	531 ✓	**J. Malsh & Co.,** Cincinnati	390.0	53.5	2,803.0
526	518	**Bruce Novograd Advertising,** New York *	390.0	20.0	3,000.0
527	509 ✓	**Link/Freeman Advertising,** Chicago	380.8	4.8	2,076.9
528	493	**MWA Direct,** Minneapolis *	372.8	(22.1)	2,112.2
529	501 ✓	**DK Group,** Hillsdale, N.J.	369.8	(7.8)	2,459.1
530	529 ✓	**William Mills Advertising & Marketing,** Atlanta	360.4	34.4	2,774.4
531	524	**Yardis Advertising,** Upper Darby, Pa.	360.0	20.0	2,400.0
532	498 ✓	**Chiara Associates,** Philadelphia	357.8	(18.3)	2,321.3
533	517 ✓	**Cross Keys Advertising,** Doylestown, Pa.	349.0	7.4	3,148.5
534	526	**Bloom & Graham Advertising,** Great Neck, N.Y.	347.1	22.2	2,252.5
535	522 ✓	**J. Malek Inc.,** New York	335.4	8.3	2,051.4
536	521 ✓	**Faber Shervey Advertising,** Minneapolis	322.9	4.1	2,152.7
537	535	**Clarke Advertising & PR,** Sarasota, Fla.	322.2	75.5	2,190.7
538	540 ✓	**Miller Group,** Los Angeles	293.5	95.7	1,500.0
539	527	**Rik Shafer & Associates,** Northport, N.Y. *	265.6	(5.5)	1,700.0
540	525 ✓	**Blackwood Associates,** Wellesley, Mass.	248.0	(13.9)	2,100.0
541	539 ✓	**Creative Media,** East Lansing, Mich.	232.0	46.2	1,513.4
542	532	**Jack Mathis Advertising,** Libertyville, Ill.	231.4	(8.7)	1,523.9
543	523	**Don Harrington Associates,** Wilton, Conn. *	225.0	(25.0)	1,500.0
544	544 ✓	**L. Quillin & Associates,** La Crosse, Wis.	221.8	27.7	1,423.2
545	533 ✓	**Adams & Lorgino Advertising,** Greenville, N.C.	217.4	(7.9)	1,574.5
546	541 ✓	**Marketing Innovations,** Scottsdale, Ariz. *	205.2	43.4	1,358.0
547	530	**Zises Advertising,** New York	173.2	(35.3)	1,066.9
548	538 ✓	**Arnold & Underwood,** San Francisco	170.0	6.3	1,200.0
549	536	**Keller Haver Lipman,** New York	149.0	(14.4)	988.5
550	542	**Mills Marketing,** Los Angeles	131.3	(2.6)	840.1
551	506	**NPC & Associates,** Landover, Md.	130.5	(66.2)	1,295.2
552	534	**Hicks & Associates,** Coral Gables, Fla.	130.1	(42.1)	693.4
553	543 ✓	**Shea & Ziegler,** Darien, Conn.	100.9	6.6	704.5
554	545	**Communications Plus Advertising/PR,** Richardson, Texas	74.7	55.3	385.8
555	544 ✓	**Bar-Dell & Associates,** Jonesboro, Ark.	68.9	5.2	442.2
556	546	**McAndrew Advertising Co.,** Bronx, N.Y. *	48.2	1.9	298.3
557	547	**Hitchins Co.,** Canoga Park, Calif. *	44.3	3.5	295.0
558	548	**Ernest Tricomi & Daughter,** Cherry Hill, N.J.	7.9	(49.7)	52.7

Notes: Dollars are in thousands. ✓ indicates that the agency received signature of an independent accountant verifying figures supplied to AA. * indicates that gross income figures are AA estimates. 1989 rankings are computed from figures reported in 1990. See below for methodology.

U.S. agency brand methodology

The 558 U.S.-based agency brands ranked on the preceding pages do NOT include the gross income or billings from other agencies reporting to AA for this report. Billings attributed to public relations fees have been subtracted wherever possible. Some agencies report figures to AA that include the results of subsidiary agencies that also report to AA. Subsidiary agencies' figures were excluded as follows:

Agency	Excluded subsidiaries
BBDO Worldwide	Baxter, Gurian & Mazzei; Frank J. Corbett Inc.; Doremus & Co.; Lavey/Wolff/Swift; Tracy-Locke; Rapp Collins Marcoa.
Backer Spielvogel Bates Worldwide	Campbell-Mithun-Esty; Kobs & Draft.
D'Arcy Masius Benton & Bowles	Medicus Intercon International; Clarion Marketing & Communications; Manning, Selvage & Lee (PR).
DDB Needham Worldwide	Bernard Hodes Group; Kallir, Philips, Ross; Rapp Collins Marcoa.
Foote, Cone & Belding Communications	Albert Frank-Guenther Law; IMPACT; Vicom FCB.
Lintas:Worldwide	Dailey & Associates; Fahlgren Martin.
Ogilvy & Mather Worldwide	Ogilvy & Mather Direct; Ogilvy & Mather Public Relations.
J. Walter Thompson Co.	Thompson Recruitment; Brouillard Communications.
Saatchi & Saatchi Advertising Worldwide	AC&R Advertising; Cadwell Davis Partners; Cliff Freeman & Partners; Coniil Advertising; Klemtner Advertising; Rumrill-Hoyt; Team One.
Scali, McCabe, Sloves	Fallon McElligott; Martin Agency.
Young & Rubicam	Cato Johnson Worldwide; Chapman Direct; Sudler & Hennessey; Wunderman Worldwide; Lord, Dentsu & Partners; Burson-Marsteller (PR).

World's Top 50 ad organizations

WPP No. 1 with $2.7 billion gross income

RANK: 47

Admarketing Inc.

Los Angeles
Gross income: **$49.7** million

Organization totals

U.S.	1990	1989	% chg
Gross income	$49 7	$46 2	7 6
Volume	$285 5	$266 5	9 6
Employees	136	133	2 3
Offices	1	1	0 0

Notes: Dollars are in millions.

Officers:
Jack Roth, pres-ceo; Robert Recht, chmn; Martin B. Cagan, exec vp.

Headquarters:
Admarketing
1801 Century Park East
Los Angeles, Calif. 90067
Phone: 213-203-8400
Fax: 213-277-7621

RANK: 20

Alliance International Advertising Group

London
Gross income: **$141.8** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$141 8	$124 9	13 5
Volume	$945 0	$837 9	12 8
Employees	1,239	1,245	(0 5)
Offices	35	29	20 7

U.S.	1990	1989	% chg
Gross income	$25 8	$25 5	1 0
Volume	$170 0	$170 0	0 0
Employees	175	190	(7 9)
Offices	2	2	0 0

Billings by Asian office city, equity	Billings
Adextra Alliance, Kuala Lumpur(NE)	3 5
C.C.A.A. Alliance, Hong Kong(NE)	2 5
Golden Flower Alliance, Taipei(NE)	9 6
Mega Dasa Pariwara Alliance, Jakarta(NE)	5 0
Tropical Alliance, Singapore(MJ)	4 4

Billings by European office city, equity	Billings
Alliance International UK, London(MJ)	153 9
Arks Alliance, Dublin(MJ)	24 7
BCK Alliance, Barcelona(MN)	55 5
Brandt & Falk Alliance, Copenhagen(NE)	26 7
CFP Alliance, Paris(MN)	139 7
Copyright Alliance, Oslo(MJ)	5 3
Epsilon Epsilon Alliance, Athens(NE)	4 0
Guettig & Hoffmeister Alliance, Frankfurt(MN)	33 2
HVR Alliance, The Hague(JV)	27 2
LVH Alliance, Brussels(MN)	19 8
Mueller & Partner Alliance, Zurich(MN)	3 8
Prad Alliance, Amsterdam(JV)	101 8
Pubblimarket-Idea2 Alliance, Milan(MN)	38 8
PVK Alliance, Helsinki(MN)	12 6
Serrander SDF Alliance, Stockholm(NE)	4 7
Studio Marketing Alliance, Belgrade(NE)	35 2
Timing Alliance, Lisbon(MJ)	13 1
Young Advertising, Dublin(MJ)	12 6

Billings by other offices city, equity	Billings
Miller Myers Bruce Dallacosta Alliance, Toronto(MJ)	25 1

Notes: Dollars are in millions. Alliance is a 27-member agency holding company owned by its agencies and Lopex PLC, a U.K. holding company that also includes large investments in communications and marketing services companies. In turn, Lopex holds equity in many of the individual Alliance shops, including 100% of Alliance International U.K., the largest Alliance shop, and 41% of Warwick Baker & Fiore Alliance, New York. These various holdings give Lopex $475.2 million in billings. See story Page S-4.

Officers:
Keith Sammels, ceo; Pip Kirby, dir-exec vp.

Headquarters:
Alliance International
Alliance House, 63 St. Martins Lane
London WC2N 4BH, England
Phone: 4471-836-0281
Fax: 4471-240-7612

Warwick Baker & Fiore

U.S.	1990	1989	% chg
Gross income	$25 8	$25 5	1 0
Volume	$170 0	$170 0	0 0
Employees	175	190	(7 9)
Offices	2	2	0 0

Officers:
John P. Warwick, chmn; Wilder D. Baker, pres-ceo.

Headquarters:
Warwick Baker & Fiore
100 Avenue of the Americas
New York, N.Y. 10013
Phone: 212-941-4200
Fax: 212-941-4277

RANK: 32

Asahi Advertising

Tokyo
Gross income: **$88.9** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$88 9	$87 4	1 8
Volume	$522 7	$524 5	(0 3)
Employees	791	782	11 5
Offices	27	27	0 0

Notes: Dollars are in millions. Asahi's results were adversely affected by a 7.1% decline in the Japanese yen against the dollar. AA does not apply current exchange rates to prior-year numbers.

Officers:
Tokushiro Misawa, pres-ceo; Noriatsu Ichimura, sr mg dir.

Headquarters:
Asahi Advertising
2-16, Kyobashi 3-chome, Chuo-ku
Tokyo 104, Japan
Phone: 813-3274-1371
Fax: 813-3272-7349

RANK: 26

Asatsu Inc.

Tokyo
Gross income: **$125.0** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$125 0	$121 5	2 9
Volume	$970 3	$1,223 7	(20 7)
Employees	940	856	9 8
Offices	13	13	0 0

Notes: Dollars are in millions. Totals include $53.8 million and $50.9 million in 1990 and 1989, respectively, for Nihon-Bungeisha Publishing. Asatsu's results were adversely affected by a 7.1% decline in the Japanese yen to the U.S. dollar. AA does not apply current exchange rates to prior-year results.

Officers:
Masao Inagaki, pres-ceo; Ichiro Ohta, sr mg dir.

Headquarters:
Asatsu
1-9-6, Shinbashi, Minato-ku
Tokyo 105, Japan
Phone: 813-3575-3111
Fax: 813-3572-2428

RANK: 17

N W Ayer

New York
Gross income: **$185.9** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$185 9	$210 5	(11 7)
Volume	$1,469 2	$1,398 2	5 1
Employees	2,032	2,443	(16 8)
Offices	24	22	9 1

U.S.	1990	1989	% chg
Gross income	$99 4	$128 8	(22 8)
Volume	$892 2	$859 1	3 9
Employees	926	1,337	(30 7)
Offices	5	6	(16 7)

Billings by U.S. office city	Billings
Ayer Tuttle, Los Angeles	21 4
N W Ayer, Dallas	76 7
N W Ayer, Detroit	53 9
N W Ayer, New York	724 6
Zwirner Ayer, Chicago	15 7

Billings by Asian office city, equity	Billings
Ayer Ltd., Auckland(MJ)	7 0
Lee Davis Ayer, Hong Kong(MN)	12 4
Target Advertising, Taipei(NE)	15 1

Billings by European office city, equity	Billings
Ayer France, Paris(MN)	169 4
Ayer Ltd., London(MJ)	61 9
Ayer Nederland, Amstelveen(MJ)	18 3
Ayer Portugal, Lisbon(MN)	3 5
Publinter Ayer, Milan(MJ)	54 1
TAPSA Ayer, Madrid(MJ)	272 2
Wilkens Ayer, Hamburg(MJ)	151 2

Billings by other offices city, equity	Billings
Ayer Vasquez, Buenos Aires(MN)	0 0
McKim Advertising, Toronto(MN)	171 3

Notes: Dollars are in millions. Ayer holds a majority in most of its international shops. Ayer closed its Houston shop in 1990.

Officers:
Jerry J. Siano, chmn-ceo; Thomas F. Maxey, vice chmn.

Headquarters:
N W Ayer
World Wide Plaza, 825 Eighth Ave.
New York, N.Y. 10019
Phone: 212-474-5000
Fax: 212-474-5400

RANK: 15

BDDP Worldwide

Boulogne, France
Gross income: **$236.0** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$236 0	$151 3	56 0
Volume	$1,487 4	$1,061 2	40 2
Employees	2,600	2,360	10 2
Offices	70	65	7 7

U.S.	1990	1989	% chg
Gross income	$42 0	$38 0	10 5
Volume	$338 0	$306 0	10 5
Employees	699	860	(18 7)
Offices	4	5	(20 0)

Billings by Asian office city, equity	Billings
Batey Communications Group, Singapore(MN)	75 6

Billings by European office city, equity	Billings
ARA BDDP, Rotterdam(MJ)	127 3
BDDP France, Paris(MJ)	775 8
BDDP UK, London(MJ)	171 7
Booster BDDP, Brussels(MJ)	17 3
Holtkamp Mueller Kentenich & May, Duesseldorf(MJ)	19 7
Longari & Loman BDDP, Bologna(MJ)	50 7
Solucion BDDP, Madrid(MJ)	49 0

Notes: Dollars are in millions. Full-year returns representing BDDP's 40% holding in Wells, Rich, Greene were included in both 1989 and 1990 returns for BDDP, which bought into WRG in April 1990. Without WRG included in 1989 numbers, BDDP registered a 108% growth in gross income in 1990 over the prior year. Figures for WRG, BDDP's sole U.S. holding, do not include returns for Wells' Gardner Advertising, St. Louis, which folded during 1989. BDDP is both a holding company and agency. BDDP organization totals comprising its ranking are a composite of its equity in gross income and billings in each agency listed in the profile.

Officers:
Jean-Claude Boulet, chmn-ceo; Jean-Marie Dru, chmn-ceo, France.

Headquarters:
BDDP Worldwide
162-164 Rue de Billancourt
92100 Boulogne, France
Phone: 331-49-09-70-10
Fax: 331-48-25-04-19

RANK: 16

Bozell, Jacobs, Kenyon & Eckhardt

New York
Gross income: **$214.0** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$214 0	$201 0	6 5
Volume	$1,570 0	$1,475 0	6 4
Employees	2,376	2,359	0 7
Offices	71	62	14 5

U.S.	1990	1989	% chg
Gross income	$166 0	$166 0	0 0
Volume	$1,240 0	$1,240 0	0 0
Employees	1,604	1,643	(2 4)
Offices	9	9	0 0

Notes: Dollars are in millions. BJK&E is the holding company for agencies Bozell Inc. and Poppe Tyson. The agency Bozell Inc. built up its overseas network in 1990 by taking a 25% equity position in CSS International, U.K., and 30% equity in Cheil Bozell, Seoul, Korea.

Officers:
Charles D. Peebler, ceo; J. Liener Temerlin, chmn; Leo-Arthur Kelmenson, chmn exec committee; Joseph Caggiano, vice chmn; David Bell, pres; Dennis D. McClain, pres, SW; Ron Ander-

World's Top 50 continues on Page S-22 and runs through Page S-53.

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Source: WSJ 1988 Worldwide Subscriber Study.
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son, chief creative officer; Linda Robinson, pres., Robinson, Lake, Lerer & Montgomery; Murray Smith, pres, intl; Ric Cooper, pres, midwest; Val Zammit, exec vp, cfo; Kenneth E. Gard, exec vp, treas; Sid Marshall, exec vp.

Headquarters:

Bozell Inc.
40 West 23rd St.
New York, N.Y. 10010
Phone: 212-727-5000
Fax: 212-989-2504

■ Bozell Inc.

Worldwide	1990	1989	% chg
Gross income	$205.0	$190.7	7.5
Volume	$1,505.0	$1,400.0	7.5
Employees	2,290	2,243	2.1
Offices	69	60	15.0
U.S.	**1990**	**1989**	**% chg**
Gross income	$155.5	$155.4	0.1
Volume	$1,175.0	$1,165.0	0.9
Employees	1,604	1,643	(2.4)
Offices	9	9	0.0

Billings by U.S. office city	Billings
Bozell Inc., Atlanta	30.0
Bozell Inc., New York	420.0
Bozell Inc., Minneapolis	50.0
Bozell Inc., Los Angeles	60.0
Bozell Inc., Tampa	45.0
Bozell Inc., Dallas	280.0
Bozell Inc., Omaha	30.0
Bozell Inc., Chicago	75.0
Bozell Inc., Detroit	185.0

Billings by Asian office city, equity	Billings
Amex Team Advertising, Bangkok(NE)	11.8
Arms Communications, New Delhi(NE)	2.1
Atlas Bozell, Manila(NE)	2.0
Bozell, Petaling Jaya(MN)	10.6
Bozell Advertising, Singapore(MJ)	11.2
Bozell CCAA, Taipei(MN)	25.7
Bozell Ltd., Hong Kong(MJ)	33.4
Bozell Meitsu, Tokyo(MN)	14.8
Bozell Rydge, Sydney(MJ)	10.8
Cheil Bozell Inc., Seoul(MN)	12.1
Grant Bozell Sri Lanka, Colombo(MN)	2.7
Matari, Jakarta(NE)	19.0
Minds Lanka, Colombo(MN)	0.5
Pratama Advertising, Jakarta(NE)	2.1

Billings by European office city, equity	Billings
Bozell Advertising, Amstelveen(MJ)	20.0
Bozell Espana, Madrid(MJ)	14.2
Bozell Grant, Athens(MN)	2.7
Bozell Middle East, Athens(MN)	3.7
Bozell Publicitas, Vienna(MN)	19.6
Bozell SA, Geneva(NE)	18.9
Bozell Sensus Publicidade, Lisbon/Porto(MJ)	8.9
Bozell Testa Pella Rosselli, Milan(MJ)	77.6
Bozell Werbeagentur, Frankfurt(MJ)	19.0
Bozell Wymans Bogaerts, Brussels(MJ)	25.3
Collage Relations & Marketing, Oslo(NE)	1.8
Createam, Frederiksberg(NE)	17.3
CSS International Holdings, London(MN)	26.5
DFSD & Bozell, London(MJ)	60.1
Iceberg Bozell, Paris(MJ)	52.8
Kauppamainos Bozell, Helsinki(NE)	12.3
Rapid Advertising, Prague(NE)	0.0
Svensk Reklamtjaenst Tegnergruppen, Stockholm(NE)	2.3
Toprektam Ltd., Budapest(NE)	3.6

Billings by Latin American office city, equity	Billings
Bozell CPV Advertising, Santurce(MJ)	4.8
Bozell S.A., Mexico City(MN)	40.8
Campagnani, Aleman Publicidad, Panama City(NE)	4.0
J. Sanchez Asociados, Bogota(NE)	3.5
Lowder Publicidad, Lima(NE)	0.9
Norton Publicidade, Sao Paulo(NE)	97.5
Vagro Publicidad, Caracas(NE)	5.8

Billings by Canadian office city, equity	Billings
Bozell Palmer Bonner, Toronto(MJ)	39.9

■ Poppe Tyson

U.S.	1990	1989	% chg
Gross income	$8.4	$10.6	(20.9)
Volume	$65.0	$75.0	(13.3)
Employees	86	116	(25.9)
Offices	2	2	0.0

Billings by U.S. office city	Billings
Poppe Tyson, New York	25.0
Poppe Tyson, Morris Plains, N.J.	40.0

Officers:
Fergus O'Daly, pres-ceo.

Headquarters:

Poppe Tyson
475 Park Ave. South, 24th Fl.
New York, N.Y. 10016
Phone: 212-725-2900
Fax: 212-576-8626

RANK: 49

Earle Palmer Brown Cos.

Bethesda, Md.
Gross income: **$48.5** million

■ Organization totals

U.S.	1990	1989	% chg
Gross income	$48.5	$47.4	2.3
Volume	$378.2	$364.1	3.9
Employees	544	591	(8.0)
Offices	12	12	0.0

Billings by U.S. office city	Billings
Earle Palmer Brown, Florida	15.0
Earle Palmer Brown, Virginia	37.2
Earle Palmer Brown, New York	7.0
Earle Palmer Brown, Bethesda, Md.	179.8
Earle Palmer Brown, Atlanta	36.9
Earle Palmer Brown, Kalamazoo, Mich.	11.1
EPB & Spiro, Philadelphia	91.0

Notes: Dollars are in millions. Figures include full-year results in both 1989 and 1990 for Norfolk, Va.-based Lawler Ballard, with six offices covering the mid-East and Southeast. Lawler Ballard had billings of $54.1 million in 1989 just prior to its purchase. Lawler Ballard was not broken out for 1990. Earle Palmer Brown holds a significant minority interest in the Chicago agency, McConnaughy Barocci Brown, but its returns are not consolidated into EPB. Each EPB office is by 100% of its billings.

Officers:
Jeremy Brown, ceo; Gary Jonas, office of pres; Mark Goldstein, office of pres; Dan Ballard, chmn.

Headquarters:

Earle Palmer Brown Cos.
6935 Arlington Rd.
Bethesda, Md. 20814
Phone: 301-657-6000
Fax: 301-657-2590

THE WALL STREET JOURNAL.

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The Pacific Northwest advertising region of The Wall Street Journal delivers subscribers with an average household income of $112,600. 74% with HHI $50,000 or more. 84% in top or middle management positions. At rates competitive with the Seattle Post-Intelligencer or the Oregonian. For details, call your Journal representative.

Source: WSJ 1988 Worldwide Subscriber Study
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Foreign agencies by gross income

Agency, city, equity	Gross income	% chg	1990 Billings
Argentina	**Exchange rates: 0.000200 0.009033 austral -97.8%**		
Lautrec/SSA, Buenos Aires **NE**	5,301	NA	21,200
J. Walter Thompson Argentina, Buenos Aires **MJ**	4,952	NA	33,013
McCann-Erickson, Buenos Aires **MJ**	3,645	NA	24,312
Casares Grey, Buenos Aires **MJ**	3,166	NA	14,249
David Ratto/BBDO, Buenos Aires **MN**	2,809	NA	18,735
Ogilvy & Mather, Buenos Aires **MJ**	2,692	NA	18,566
Colonnese:Lintas, Buenos Aires **MJ**	2,566	NA	17,118
Pragma/FCB Publicidad, Buenos Aires **MN**	2,277	NA	15,183
Gowland Publicidad, Buenos Aires **NA**	1,922	NA	9,944
Capurro & Associates, Buenos Aires **NA**	1,375	NA	6,026
Leo Burnett Co., Buenos Aires **MJ**	1,347	NA	8,982
FSD/Young & Rubicam, Buenos Aires **MN**	674	NA	4,495
Cicero/Ted Bates, Buenos Aires **NE**	190	NA	906
Ayer Vasquez, Buenos Aires **JN**	1	NA	1
Graffiti DMB&B, Buenos Aires **MN**	0	NA	1

Notes: Due to extreme fluctuations in the austral rate, AA did not compute percentage changes for 1990 and 1989 for gross income and billings. David Ratto/BBDO 20% owned by BBDO; Ayer Vasquez 10% owned by N.W. Ayer; Graffiti DMB&B 5% owned by DMB&B; Pragma/FCB 20% owned by Foote, Cone & Belding.

Australia	**Exchange rates: 0.780700 0.800340 Australian dollar -2.5%**		
George Patterson Pty., Sydney **MJ**	78,070	1.6	530,876
Clemenger/BBDO, Melbourne **MN**	50,715	(2.4)	316,966
Mattingly & Partners, Melbourne **MN**	31,657	15.1	197,854
Young & Rubicam, Sydney **MJ**	30,923	1.7	206,256
Chiat/Day/Mojo, Sydney/Melbourne **MJ**	30,095	(6.4)	188,094
DDB Needham, Sydney **MJ**	29,153	(0.0)	194,450
Saatchi & Saatchi Advertising, Sydney/Melbourne **MJ**	19,174	10.6	119,837
McCann-Erickson, Sydney **MJ**	18,921	(5.9)	126,203
Neville Jeffress/Armstrong's, Sydney **NA**	18,287	(17.5)	114,294
Lintas:Australia, Sydney **MJ**	16,750	36.5	111,724
Ogilvy & Mather, Melbourne **MJ**	15,204	(15.5)	104,856
J. Walter Thompson Australia, Sydney **MJ**	15,166	2.6	101,160
Foote, Cone & Belding, Sydney **MJ**	14,513	13.4	96,760
DMB&B, Sydney **MJ**	13,619	(26.6)	98,127
Leo Burnett Pty., Sydney **MJ**	11,252	(3.4)	75,014
Dentsu Australia, Sydney **MJ**	10,539	(3.4)	65,891
Magnus Nankervis & Curl, Sydney **NA**	7,451	10.7	46,569
Grey Australia, Sydney **MJ**	6,698	11.7	44,673
Charlton, Sydney **NA**	6,667	(1.6)	41,674
Connaghan & May, Sydney **NA**	6,589	(6.2)	43,953
Omon Pty., Sydney **NA**	6,043	155.5	40,284
Ball Partnership, Sydney **MJ**	5,651	(13.8)	38,433
John Singleton Advertising, Sydney **NA**	5,621	9.1	39,269
Samuelson Talbot & Partners, Sydney **NA**	5,028	22.9	29,628
McCarthy Watson & Spencer, Sydney **NA**	4,762	0.9	29,823
Luscombe & Partners, Melbourne **NA**	4,528	1.0	27,325
Kobs & Draft, Sydney/Melbourne **MJ**	3,885	6.1	25,900
Hertz Walpole, Sydney **NA**	3,099	(20.2)	19,346
Moffat Sharp, Melbourne **NA**	2,662	1.1	16,395
Harris Robinson & Associates, Sydney **NA**	2,498	31.4	17,288
Bozell Rydge, Sydney **MJ**	1,944	241.1	10,800
Peter Doyle Advertising, Sydney **MJ**	1,857	(4.4)	8,951
FCB Shorter, Perth **MN**	820	(34.9)	5,465
Geoff Niere Advertising, Melbourne **NA**	574	(0.4)	3,825

Notes: George Patterson Pty. includes data for The Campaign Palace and Marketforce; gross income figures for Omon Pty. and Geoff Niere Advertising for both years AA estimates. Chiat/Day/Mojo figures include Sydney, Melbourne, Brisbane and Perth offices. Mattingly & Partners, now part of Dentsu. Young & Rubicam, includes data for its Melbourne, Sydney and Perth offices. Young & Rubicam figures include Wunderman, Cato Johnson, Sudler & Hennessey and Burson Marsteller. Clemenger/BBDO 47% owned by BBDO Worldwide; gross income and billings figures for Neville Jeffress/Armstrong's, Charlton, Connaghan & May, John Singleton, Samuelson Talbot & Partners, McCarthy Watson & Spencer, Moffat Sharp and Hertz Walpole are AA estimates.

Austria	**Exchange rates: 0.087200 0.075550 schilling 15.4%**		
GGK Vienna/Salzburg, Vienna/Salzburg **JV**	10,621	26.7	70,841
Demner & Merlicek, Vienna **NA**	10,290	27.5	68,632
Saatchi & Saatchi Advertising, Vienna **MJ**	9,766	87.3	65,138
Lintas:Austria, Vienna/Salzburg **MJ**	9,084	19.4	60,590
Young & Rubicam, Vienna **MJ**	9,044	125.5	60,292
Ogilvy & Mather, Vienna **MJ**	8,593	45.5	59,262
Werbeagentur Wirz, Vienna **MN**	8,546	15.4	57,029
Eurocom Austria, Vienna **MJ**	5,860	37.5	39,083
TEAM/BBDO, Vienna **MJ**	5,860	48.6	39,083
Haupt-Stummer/J. Walter Thompson Co., Vienna **MJ**	5,766	NA	38,385
Dr. Puttner & BSB, Vienna **MJ**	5,406	55.6	43,600
McCann-Erickson, Vienna **MJ**	5,173	6.1	34,505
Grey Austria, Vienna **MJ**	5,136	23.4	42,030
MMS Werbeagentur, Linz **NA**	4,029	26.7	27,294
DDB Needham Heye & Partner, Vienna **MJ**	3,741	629.1	24,952
RSCG Jasch & Schramm, Vienna **MJ**	3,645	65.7	24,303
Publicis FCB, Vienna **MJ**	2,970	44.5	27,600
Bozell Publicitas, Vienna **MN**	2,943	18.8	19,620
DMB&B, Vienna **MJ**	1,854	(3.9)	14,502
Conquest Europe Austria, Vienna **MJ**	258	19.4	1,850
Campbell-Ewald, Vienna **MJ**	27	2.0	209

Notes: Haupt-Stummer/JWT 1989 figures cover 7 months.

Bahrain	**Exchange rates: 2.656000 2.642710 dinar 0.5%**		
Fortune Promoseven, Manama **NA**	11,419	21.3	76,126
Radius Advertising, Manama **NE**	1,341	8.0	8,943

Notes: Fortune Promoseven network affiliated with Backer Spielvogel Bates. Also, gross income figures for both years AA estimates. Radius Advertising affiliated with Leo Burnett Co.

Gross income and billings are U.S.$ in thousands. **Compiled by:** Ilse Cermak

Foreign agencies (continued)

Agency, city, equity	Gross income	% chg	1990 Billings
Barbados Exchange rates: 0.497290 0.497190 Barbados dollar 0.0%			
Lonsdale/SSA, St. Michaels **MN**	594	24.2	3,959
Smith Oxley Jordan & Edghill, St. Michaels **NE**	409	NA	2,725
Notes: Smith Oxley Jordan & Edghill affiliated with Grey Advertising.			
Belgium Exchange rates: 0.029370 0.025450 Belgian franc 15.4%			
McCann-Erickson Belgium, Brussels **MJ**	19,769	29.7	131,859
HHD Ogilvy & Mather, Brussels **MJ**	15,700	31.2	108,274
Eurocom Belgium, Brussels **MJ**	14,597	62.0	97,362
DMB&B, Brussels **MJ**	14,344	19.6	95,673
BBDO Belgium, Brussels **MJ**	13,236	25.8	88,286
Lintas:Belgium, Brussels **MJ**	11,082	30.9	73,918
Young & Rubicam Belgium, Brussels **MJ**	9,696	29.7	64,673
Publicis FCB, Brussels **MJ**	8,917	31.9	59,856
Lowe Troost, Brussels **MJ**	8,911	18.3	68,547
BSB Brussels, Brussels **MJ**	8,860	(30.4)	47,975
Grey, Brussels **MJ**	8,635	47.1	57,594
Partner/J. Walter Thompson Co., Brussels **MJ**	8,087	16.3	53,934
Leo Burnett-Belgium, Brussels **MJ**	7,969	36.2	53,128
DDB Needham, Brussels **MJ**	7,708	30.7	51,415
Garbarski RSCG, Brussels **MJ**	6,520	37.0	49,929
TBWA, Brussels **MJ**	4,896	42.6	32,627
Saatchi & Saatchi Advertising, Brussels **MJ**	3,830	78.7	25,531
LVH Alliance, Brussels **MN**	2,963	(19.9)	19,766
Booster/BDDP, Brussels **MJ**	2,596	72.1	17,312
Bozell Wymans Bogaerts Advertising, Brussels **MJ**	2,261	64.6	25,258
FCA! Heslop Beguivin, Brussels **MJ**	1,792	151.4	11,954
Mirror/GGK Brussels, Brussels **NE**	1,788	32.2	11,924
KPR, Brussels **MJ**	1,649	33.8	11,000
Conquest Europe Belgium, Brussels **MJ**	967	218.1	6,750
Euro Meridian Communications, Brussels **MJ**	755	(41.4)	5,001
Kobs & Draft, Brussels **MJ**	150	(66.7)	1,000
Notes: Young & Rubicam includes Wunderman, Cato Johnson and Burson-Marsteller. Euro Meridian Communications part of Foote, Cone & Belding. BBDO Belgium includes VVL/BBDO. Moors Bronselaer and Moracl & Partners. Lintas Belgium includes Lintas Brussels, Ace, Herring and Music Hall. McCann-Erickson Belgium includes Universal Media.			
Bermuda Exchange rates: 1.000000 1.000000 Bermuda dollar 0.0%			
Advertising Associates Compton, Hamilton **NE**	1,453	(26.1)	3,152
Botswana Exchange rates: 0.544400 1.877000 pula -71.0%			
Horizon Advertising, Gaborone **NE**	170	(49.6)	463
Notes: Horizon affiliated with Saatchi & Saatchi Advertising.			
Brazil Exchange rates: 0.015000 0.436100 new cruzado -96.6%			
MPM Propaganda, Sao Paulo **NE**	63,743	NA	179,816
Standard, Ogilvy & Mather, Sao Paulo **MJ**	30,064	NA	207,338
McCann-Erickson Brazil, Sao Paulo **MJ**	26,463	NA	176,508
Duailibi, Petit, Zaragoza, Propaganda, Sao Paulo **NA**	25,500	NA	93,000
Salles Inter-Americana, Sao Paulo **NA**	20,969	NA	104,846
Young & Rubicam do Brasil, Sao Paulo **MJ**	20,248	NA	135,052
Lintas:Brasil Comunicacoes, Sao Paulo **MJ**	19,776	NA	131,907
Norton Publicidade, Sao Paulo **NE**	19,500	NA	97,500
ALMAP/BBDO, Sao Paulo **MN**	19,325	NA	88,757
W/Brasil Publicidade, Sao Paulo **NA**	16,377	NA	64,914
J. Walter Thompson Publicidade, Sao Paulo **MJ**	13,551	NA	90,389
Better Communicacao, Sao Paulo/Rio de Janeiro **NE**	10,413	NA	52,064
Leo Burnett Publicidade, Sao Paulo **MJ**	6,661	NA	44,411
FCB/Siboney Publicidade, Sao Paulo **MJ**	5,643	NA	37,640
CBBA, Sao Paulo **MJ**	4,845	NA	32,316
Denison Propaganda, Sao Paulo **NE**	3,420	NA	17,100
Notes: Due to the extreme fluctuations in the Brazilian cruzeiro/cruzado rate, AA did not compute percentage changes for 1990 and 1989 for gross income and billings. Better Communicacao affiliated with Saatchi & Saatchi Advertising. Denison Propaganda affiliated with Backer Spielvogel Bates. Gross income figures for both years AA estimates. Young & Rubicam includes Wunderman and Burson-Marsteller. ALMAP/BBDO 40% owned by BBDO Worldwide. McCann-Erickson figures include Interpublic. Salles/Inter-Americana gross income figures for both years AA estimates. Norton Publicidade affiliated with Bozell. CBBA part of J. Walter Thompson Co.			
Britain Exchange rates: 1.768800 1.674240 pound 5.6%			
Saatchi & Saatchi Advertising, London **MJ**	187,500	19.9	1,250,000
Young & Rubicam Holdings, London **MJ**	103,344	25.2	777,481
J. Walter Thompson Co., London **MJ**	98,168	15.8	654,456
Ogilvy & Mather, London **MJ**	95,367	9.9	657,700
Grey Communications Group, London **MJ**	93,697	15.6	624,958
BSB Dorland, London **MJ**	80,885	13.0	539,236
DMB&B, London **MJ**	74,208	12.2	547,893
McCann-Erickson UK, London **MJ**	65,485	9.1	436,782
Kingsland Lloyd Petersen/RSCG, London **MJ**	54,902	NA	148,579
BMP DDB Needham, London **MJ**	52,498	(1.0)	350,161
Lowe Howard-Spink, London **MJ**	47,805	26.4	367,734
WCRS, London **MJ**	35,822	11.6	247,558
Leo Burnett Ltd., London **MJ**	33,961	12.7	226,406
SPCTD:Lintas, London **MJ**	31,091	49.8	207,375
Publicis, London **MJ**	29,893	1.4	199,874
CDP & Partners, London **MJ**	28,900	(39.2)	172,500
KHBB, London **MJ**	28,191	17.0	216,855
Abbott Mead Vickers SMS, London **MN**	26,822	4.1	217,168
Gold Greenlees Trott Advertising, London **NA**	26,709	9.3	181,302
Austin Knight, London **NA**	26,058	30.5	200,440
BDDP UK, London **MJ**	25,741	371.6	171,696
Bartle Bogle Hegarty, London **NA**	24,233	13.1	209,603
Alliance International UK, London **MJ**	22,994	14.5	153,886
Brunning, London **MN**	22,343	48.3	148,952
Butterfield Day Devito Hockney, London **NA**	19,899	29.5	98,982
Dewe Rogerson, London **NA**	18,993	12.3	146,103

Gross income and billings are U.S.$ in thousands. **Compiled by:** Ilse Cermak.

Foreign agencies (continued)

Agency, city, equity	Gross income	% chg	1990 Billings
Britain (continued) Exchange rates: 1.768800 1.674240 pound			
ARC Advertising, London **NA**	18,465	(1.4)	142,035
FCB Advertising, London **MJ**	18,219	(5.4)	122,047
HDM UK, London **MJ**	18,130	8.6	151,056
Yellowhammer, London **MJ**	16,096	(12.7)	123,816
Colman RSCG, London **MJ**	14,327	25.9	142,035
Watson Ward Albert Varndell, London **NA**	14,234	20.0	109,489
Allen Brady & Marsh, London **MJ**	14,119	(32.2)	108,604
GGK London, London **MJ**	12,935	26.8	86,233
Woollams Moira Gaskin O'Malley, London **NA**	12,900	32.9	99,230
FCA! Mavity, London **MJ**	12,205	10.5	81,335
Geers Gross, London **NA**	12,187	40.0	93,746
TBWA Holmes Knight Ritchie, London **MJ**	11,947	28.7	79,685
Leagas Delaney Partnership, London **NA**	11,939	21.9	79,596
Graham Poulter Partnership, London **NA**	11,679	13.6	89,837
Moxon Dolphin Kerby, London **NA**	10,563	56.6	81,259
LansdownEuro, London **MJ**	10,515	23.0	108,575
Ayer Ltd., London **MJ**	9,728	(13.3)	61,908
DFSD & Bozell, London **MJ**	8,844	5.6	60,139
Burkitt Weinreich Bryant, London **NA**	8,448	19.7	64,986
Bowden Dyble Hayes & Partners, London **NA**	7,287	NA	56,053
ADA Group, London **MJ**	6,782	8.9	33,538
Madell Wilmot Pringle RSCG, London **MJ**	6,191	NA	56,602
Conran Design RSCG, London **MJ**	6,049	NA	33,352
CSS International Holdings, London **MN**	6,014	(0.2)	26,532
FCO, London **MJ**	5,338	27.3	42,242
WCRS/DMA, London **MJ**	5,324	161.3	35,464
B&B Bernard Hodes, London **MJ**	5,131	(10.9)	34,210
Howell Henry Chaldecott Lury, London **NA**	4,559	86.7	52,285
Simons Palmer Denton Clemmon & Johnson, London **MJ**	3,538	62.5	35,376
Chiat/Day/Mojo, London **MJ**	3,500	75.0	21,000
Paling Ellis KPR, London **MJ**	2,881	2.3	16,216
Park Ltd., London **MJ**	2,714	3.2	16,611
Griffin-Bacal Advertising, London **MJ**	1,833	5.2	14,320
K&D Dorland Direct, London **MJ**	1,560	8.3	10,400
Doremus & Co., London **MJ**	1,367	34.9	9,192
Bernard Hodes Overton, Birmingham **MJ**	1,235	3.3	8,232
Hakuhodo UK, London **MJ**	1,086	157.3	7,680
Interface RSCG, London **MJ**	966	NA	6,670
Notes: McCann-Erickson includes Harrison Advertising, Advertising Ltd., Photo-Video Ltd., Intercompany Administrative & Computing Services, Direct, Turnaround Studio, McCann Network, EPIC, Sales Desk and Scotland BDF. Yellowhammer figures included in DMB&B totals. Young & Rubicam includes Wunderman, Cato Johnson, Sudler & Hennessey, Burson-Marsteller and Landor. Simons Palmer Denton Clemmon & Johnson 51% owned by Armando Testa, Turin; Abbott Mead Vickers SMS Omnicom acquired 22% of agency formerly owned by Scali McCabe Sloves. Brunning 5% owned by Ketchum. Gross income for both years for Leagas Delaney Partnership, Lowe Howard-Spink and Allen Brady & Marsh AA estimates; AA estimated income for both years for KHBB, Austin Knight, Dewe Rogerson, ARC Advertising, Yellowhammer, Watson Ward Albert Varndell, Woollams Moira Gaskin O'Malley, Geers Gross, Graham Poulter Partnership, Moxon Dolphin Kerby, Burkitt Weinreich Bryant and Bowden Dyble Hayes & Partners. Billings for these agencies were published in Campaign Magazine's Top 250 agencies chart, Feb. 22.			
Cameroon Exchange rates: 0.003996 0.003190 CFA 25.3%			
Lintas:Cameroon, Douala **MN**	294	(44.7)	1,963
Canada Exchange rates: 0.856300 0.838820 Canadian dollar 2.1%			
McCann-Erickson Canada, Toronto **MJ**	29,360	0.8	195,831
Cossette Communication-Marketing, Quebec City **NA**	28,885	2.2	192,565
MacLaren:Lintas, Toronto **MJ**	28,045	(0.6)	187,061
Young & Rubicam, Toronto **MJ**	27,428	11.2	182,948
McKim Advertising, Toronto **MN**	25,689	13.4	171,260
Ogilvy & Mather, Toronto **MJ**	23,636	12.1	163,004
J. Walter Thompson Co., Toronto **MJ**	20,740	(5.3)	138,339
Grey Canada, Toronto **MJ**	19,264	7.3	128,492
FCB/Ronalds Reynolds, Toronto **MJ**	18,604	8.6	124,027
Baker Lovick Advertising, Toronto **MN**	17,104	(3.6)	119,135
Leo Burnett Co., Toronto **MJ**	15,399	15.9	102,663
Backer Spielvogel Bates Canada, Toronto **MJ**	13,251	1.9	107,166
SSC Hayhurst, Toronto **MJ**	11,443	(11.2)	94,111
Palmer Jarvis Advertising, Vancouver **NA**	11,245	10.6	70,771
Carder Gray DDB Needham, Toronto **MJ**	9,366	5.9	62,472
DMB&B, Toronto **MJ**	8,924	(8.8)	61,447
Chiat/Day/Mojo, Toronto **MJ**	7,100	42.0	46,000
Bozell Palmer Bonner, Toronto **MJ**	5,977	(12.5)	39,851
Promanad Communications, Mississauga, Ont. **NA**	5,823	19.9	38,534
Deacon Day Massey Advertising, Toronto **JV**	5,138	68.3	34,252
Harrod & Mirlin, Toronto **MJ**	4,530	63.1	30,214
Ambrose Carr Linton Kelly, Toronto **NA**	4,304	11.2	28,709
Prism Communications, Montreal **NA**	4,282	4.2	27,402
Kert Advertising, Toronto **NA**	3,867	9.8	33,115
Miller Myers Bruce Dallacosta Alliance, Toronto **MJ**	3,768	(22.2)	25,090
Anderson Advertising, Toronto **NA**	3,200	10.3	21,600
Enterprise Advertising, Toronto **MJ**	2,622	(6.8)	17,489
Allard/SMW & Associates, Montreal **NA**	2,112	21.1	14,129
Campbell Michener, Toronto **NA**	1,413	12.3	9,419
Bernard Hodes-Canada, Toronto **MJ**	1,397	1.9	9,311
Paul, Phelan & Perry, Toronto **NA**	1,370	2.1	10,276
Medicus Intercon, Toronto **MJ**	1,073	(7.8)	9,104
LMP Advertising, Montreal **NA**	1,035	72.5	6,900
Bleau, Duperrey, Giguere & Associes, Quebec City **NA**	398	21.7	2,655
Kobs & Draft, Toronto **MJ**	330	57.1	2,200
Publicite Pinnacle, Montreal **NA**	200	0.0	1,300
Stringer, Veroni/Ketchum, Toronto **MN**	49	NA	325
Notes: McCann-Erickson includes Harrod & Mirlin and Marketel Canada. Deacon Day Massey Advertising part of Lowe International. Y&R includes Wunderman, Cato Johnson and Burson-Marsteller. BCK Group, Montreal, did not submit figures.			

RANK: 12

Leo Burnett Co.

Chicago
Gross income: **$531.8** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$531.8	$483.8	9.9
Volume	$3,585.4	$3,245.5	10.5
Employees	5,883	5,653	4.1
Offices	43	42	2.4
U.S.	**1990**	**1989**	**% chg**
Gross income	$299.3	$288.8	3.7
Volume	$2,035.2	$1,945.3	4.6
Employees	2,296	2,222	3.3
Offices	1	1	0.0

Billings by other offices city, equity	Billings
AMA, Leo Burnett, Cairo(NE)	0.0
H&C Leo Burnett, Beirut(NE)	0.0
Radius Advertising, Manama(NE)	8.9
Targets Advertising, Jeddah(NE)	8.3
Billings by Asian office city, equity	**Billings**
Hemisphere-Leo Burnett Inc., Manila(MJ)	11.7
Leo Burnett Co., Kuala Lumpur(MN)	21.2
Leo Burnett Co., Taipei(MJ)	18.5
Leo Burnett Ltd., Hong Kong(MJ)	68.3
Leo Burnett Ltd., Bangkok(MJ)	27.0
Leo Burnett Pte., Singapore(MJ)	21.1
Leo Burnett Pty., Sydney(MJ)	75.0
Leo Burnett-Kyodo Co., Tokyo(MJ)	169.5
Leo Burnett-New Zealand, Auckland(MJ)	8.8
Billings by European office city, equity	**Billings**
Black Pencil, Paris(MJ)	14.7
Bordelais, Lemeunier Leo Burnett Paris, Paris(MJ)	108.6
Cinoponto/Leo Burnett, Lisbon(MN)	16.2
Enterprise Middle East, Athens(MJ)	2.5
Leo Burnett Co., Milan(MJ)	99.6
Leo Burnett Ltd., London(MJ)	226.4
Leo Burnett S.A., Athens(MJ)	27.2
Leo Burnett-Belgium, Brussels(MJ)	53.1
Leo Burnett-Denmark, Copenhagen(MJ)	25.1
Markom/Leo Burnett, Istanbul(MN)	11.5
Michael Conrad & Leo Burnett, Frankfurt(MJ)	223.3
Noordervliet & Winninghoff - Leo Burnett, Amsterdam(MJ)	70.9
Nordskar & Thorkildsen Leo Burnett, Oslo(MN)	36.8
Vitruvio/Leo Burnett, Madrid(MN)	58.6
Billings by Latin American office city, equity	**Billings**
Communica Publicidad, Guatemala City(NE)	0.0
Leo Burnett Co., Santo Domingo(MJ)	0.3
Leo Burnett Co., Buenos Aires(MJ)	9.0
Leo Burnett Co., Mexico City(MJ)	42.1
Leo Burnett Inc., San Juan(MJ)	25.0
Leo Burnett Publicidade, Sao Paulo(MJ)	44.4
Leo Burnett Venezuela, Caracas(MJ)	29.7
Leo Burnett-Chile, Santiago(MJ)	9.7
Leo Burnett-Colombia, Bogota(MJ)	13.3
Publicidad Comercial, San Jose(MN)	2.4
Leo Burnett Co., Toronto(MJ)	102.7

Notes: Dollars are in millions. Advertising organization totals comprising the ranking are a composite of the parent's equity in gross income and billings in each agency listed in the profile. Totals also may include holdings in non-media advertising businesses not listed. Each shop broken out in boldface is by 100% of its billings.

Officers:
Hall Adams Jr., chmn-ceo; Richard B. Fizdale, pres-cco

Headquarters:
Leo Burnett Co.
35 W. Wacker Dr.
Chicago, Ill. 60601
Phone: 312-220-5959
Fax: 312-220-3299

RANK: 45

CDP Europe

London
Gross income: **$50.5** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$50.5	$65.0	(22.4)
Volume	$354.2	$405.2	(12.5)
Employees	815	700	16.4
Offices	16	12	33.3

Billings by European office city, equity	Billings
Alice, Paris(JV)	98.3
Barro CDP, Madrid/Barcelona(JV)	63.8
Barro Lisbon, Lisbon(JV)	9.9
Bergsoe, Copenhagen(NE)	17.4
Blanking AB, Stockholm(NE)	48.2
Canard, Turin/Milan(JV)	175.0
CDP Associates, Dublin(NE)	16.0
CDP & Partners, London(MJ)	172.5
RPM/Radar, Istanbul(MN)	17.8
Springer & Jacoby, Hamburg(NE)	184.0

Notes: Dollars are in millions. Early this year Dentsu bought a 30% holding in CDP Europe after Dentsu lost its European connection in December 1990, when HDM Worldwide was split up between its three partners. HDM Europe went to Eurocom. The U.S., Australian and Asian operations went to Dentsu and Young & Rubicam. Dentsu did not claim this equity in its 1990 results. CDP holds no equity in half its network shops, and 50% in most of the rest except for its fully-held lead shop, CDP & Partners, London. Advertising organization totals comprising the ranking are a composite of CDP's equity in gross income and billings in each agency listed in the profile. Totals may include holdings in non-media

advertising businesses not listed. Each shop broken out in boldface is by 100% of its billings.

Officers:
John Salmon, chmn; Michel Guerend, mg dir.

Headquarters:
CDP Europe
110 Euston Rd.
London NW1 2DQ, England
Phone: 4471-388-2424
Fax: 4471-380-1218

RANK: 36

Cheil Communications

Seoul, South Korea
Gross income: **$73.1** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$73.1	$64.2	13.7
Volume	$274.1	$249.3	10.0
Employees	562	520	8.1
Offices	6	5	20.0

Notes: Dollars are in millions. Cheil holds 100% in all its agencies except for Cheil Bozell, a joint venture established in 1990 in which its holds 70% and Bozell Inc., 30%. Because AA does not apply current year exchange rates to the prior year, Cheil's results were adversely affected by a 4.7% decline in the South Korean won against the dollar.

Officers:
Ki-Seon Yoon, pres; Hee-Joon Lee, sr mg dir.

Headquarters:
Cheil Communications
Boyung Bldg., 108-2 Pyung-dong, Chung-gu
Seoul 110-102, South Korea
Phone: 822-724-9114
Fax: 822-730-5999

RANK: 22

Chiat/Day/Mojo

Venice, Calif.
Gross income: **$136.8** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$136.8	$133.5	2.5
Volume	$991.7	$936.3	5.9
Employees	1,086	1,178	(7.8)
Offices	19	17	11.8
U.S.	**1990**	**1989**	**% chg**
Gross income	$90.9	$89.5	1.6
Volume	$696.7	$661.3	5.4
Employees	713	745	(4.3)
Offices	9	10	(10.0)

Billings by U.S. office city	Billings
Anderson & Lembke, New York	45.0
Chiat/Day/Mojo, New York	204.0
Chiat/Day/Mojo, Venice, Calif.	384.0
Perkins/Butler, New York	49.0
Billings by Asian office city, equity	**Billings**
Chiat/Day/Mojo, Sydney/Melbourne(MJ)	188.1
Chiat/Day/Mojo, Auckland(MJ)	15.0
Chiat/Day/Mojo, Singapore(MJ)	13.0
Billings by other office city, equity	**Billings**
Chiat/Day/Mojo, London(MJ)	21.0
Chiat/Day/Mojo, Toronto(MJ)	46.0

Notes: Dollars are in millions. All Chiat network agencies are 100% held.

Officers:
Jay Chiat, chmn-ceo; Bob Wolf, chmn-N.A.; Lee Clow, pres-exec creative dir.

Headquarters:
Chiat/Day/Mojo
320 Hampton Drive
Venice, Calif. 90291
Phone: 213-314-5000
Fax: 213-396-5629

RANK: 48

Chuo Senko Advertising Co.

Tokyo
Gross income: **$49.1** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$49.1	$50.6	(2.9)
Volume	$356.4	$376.5	(5.4)
Employees	430	412	4.4
Offices	11	11	0.0

Notes: Dollars are in millions. Chuo Senko's returns were adversely affected by a 7.1% decline in the Japanese yen against the U.S. dollar. AA does not apply current exchange rates to prior-year results.

Officers:
Shoji Koshizawa, pres; Yutaka Osawa, exec vp.

Headquarters:
Chuo Senko Advertising
2-6-1, Ginza, Chuo-ku
Tokyo 104, Japan
Phone: 813-3562-0151
Fax: 813-3535-3576

RANK: 44

Clemenger/BBDO

Melbourne
Gross income: **$50.7** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$50.7	$52.0	(2.4)
Volume	$317.0	$324.8	(2.4)

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Foreign agencies (continued)

Agency, city, equity	Gross income	% chg	1990 Billings
Canada (continued)	**Exchange rates: 0.856300 0.838820 Cdollar**		
Enterprise Advertising part of J. Walter Thompson Co.; LMP Advertising and Campbell Michener gross income for both years AA estimates.			
Chile	**Exchange rates: 0.00342 0.004210 peso -18.7%**		
J. Walter Thompson Chilena, Santiago **MJ**	3,742	(2.0)	24,950
McCann-Erickson Chile, Santiago **MJ**	3,646	(0.3)	24,319
A.M.W., Santiago **MN**	2,857	21.2	19,056
Lintas:Chile, Santiago **MJ**	1,919	11.4	12,799
Northcote & Asociados, Santiago **MN**	1,688	(4.6)	11,638
Leo Burnett-Chile, Santiago **MJ**	1,452	(1.9)	9,681
Grey Chile, Santiago **MN**	1,356	6.2	9,044
Israel & de Bianchi, Santiago **NE**	1,346	14.9	8,972
ABM Zegers, Santiago **MN**	950	6.4	6,337
Proiam, Santiago **NA**	910	54.7	6,069
Epoca Publicidad, Santiago **NA**	724	(30.3)	5,052
Young & Rubicam de Chile, Santiago **MJ**	527	(32.3)	3,514
Lambiasi S.A., Santiago **NE**	467	(16.6)	3,134
Publiart, Santiago **MN**	379	NA	2,530
Prologo/Bozell, Santiago **NE**	345	21.1	2,300
Notes: Lambiasi affiliated with Backer Spielvogel Bates; BBDO Worldwide holds 33% and 16% respectively of Publiart and ABM Zegers; Israel & de Bianchi affiliated with Saatchi & Saatchi Advertising.			
China	**Exchange rates: 0.191490 0.268670 yuan -28.7%**		
McCann-Erickson Jardine China, Beijing **MJ**	780	(27.5)	5,202
Dentsu, Young & Rubicam China, Beijing **MJ**	508	26.9	3,387
Saatchi & Saatchi Advertising, Guangzhou/Beijing **MJ**	NA	NA	NA
Colombia	**Exchange rates: 0.001940 0.002760 peso -29.7%**		
McCann-Erickson Colombia, Bogota **MJ**	3,420	2.8	22,811
Propaganda Sancho, Bogota **NE**	3,299	(13.9)	12,745
Atlas Publicidad, Bogota **NE**	2,103	(11.6)	14,020
Leo Burnett-Colombia, Bogota **MJ**	1,992	(4.8)	13,283
FCB/Puma, Bogota **MJ**	1,731	13.5	10,222
Atenas/BBDO, Bogota **NE**	1,569	(8.6)	10,463
Esfera Publicidad, Bogota **NE**	1,071	NA	7,141
BSB Meza, Bogota **NE**	1,060	(11.3)	7,070
Centrum Ogilvy & Mather, Bogota **MN**	1,040	(7.4)	7,171
J. Sanchez Asociados, Bogota **NE**	701	2.5	3,473
Lintas:Colombia, Bogota **MJ**	508	(16.7)	3,386
Notes: Propaganda Sancho affiliated with Saatchi & Saatchi Advertising; McCann-Erickson includes Harrison, J. Sanchez Asociados affiliated with Bozell; Atlas Publicidad affiliated with J. Walter Thompson Co.			
Costa Rica	**Exchange rates: 0.009756 0.012030 colon -18.9%**		
McCann-Erickson Centroamericana, San Jose **MJ**	1,112	(8.0)	7,417
FCB/Siboney, San Jose **MJ**	533	4.0	3,552
APCU de Costa Rica, San Jose **MN**	383	(7.6)	2,563
Publicidad Comercial, San Jose **MN**	360	77.6	2,401
Notes: Publicidad Comercial 30% owned by Leo Burnett Co.; BBDO affiliate Alberto Garnier did not submit figures.			
Cyprus	**Exchange rates: 2.348500 2.006500 Cyprus pound 17.0%**		
Impact/BBDO, Nicosia **MN**	3,735	(0.3)	24,900
AMC Arab Market Advertising, Nicosia **NA**	225	(58.5)	1,500
Notes: Impact/BBDO includes data for Egypt, Kuwait, Saudi Arabia and Dubai.			
Czechoslovakia	**Exchange rates: NA**		
Rapid Advertising, Prague **NE**	NA	NA	NA
BSB/S&S Creative Comm, Prague **NE**	NA	NA	NA
Notes: Rapid Advertising affiliated with Bozell.			
Denmark	**Exchange rates: 0.160300 0.137180 kroner 16.9%**		
Grey Communications Group, Copenhagen **MJ**	20,198	163.6	134,721
Backer Spielvogel Bates Gruppen, Copenhagen **MJ**	13,967	19.7	98,586
Young & Rubicam Copenhagen, Copenhagen **MJ**	13,708	43.5	92,679
Team/BBDO, Copenhagen **MJ**	9,731	(4.8)	82,355
Bergsoe, Copenhagen **NE**	5,400	(15.6)	17,400
Ogilvy & Mather, Copenhagen **MJ**	5,074	25.1	34,994
Eurocom Denmark, C hagen **MJ**	4,713	36.3	29,455
Lyre & Valbo Reklamebureau, Copenhagen **NA**	4,685	10.3	31,250
Brandt & Falk Alliance, Copenhagen **NE**	4,001	74.1	26,674
Leo Burnett-Denmark, Copenhagen **MJ**	3,764	31.1	25,096
DDB Needham, Copenhagen **MJ**	3,120	NA	20,810
Saatchi & Saatchi Advertising, Copenhagen **MJ**	2,690	76.4	14,196
McCann-Erickson, Copenhagen **MJ**	2,603	11.6	17,362
Createam, Frederiksberg **NE**	2,597	17.6	17,312
J. Walter Thompson Co., Copenhagen **MJ**	2,505	113.9	20,198
DMB&B, Frederiksberg **MJ**	2,297	18.4	22,107
Publicis FCB/HSW, Copenhagen **MJ**	2,274	4.7	15,167
Berg & Lyhne Reklamebureau, Hellerup **NA**	2,175	10.7	7,214
Dy el Advertising, Copenhagen **NA**	2,017	(6.4)	14,042
Zangenberg & Lembourn, Copenhagen **MJ**	1,797	34.0	13,436
DMB&B Ipsen & Parmo, Copenhagen **MJ**	1,764	14.0	16,095
Lintas/GR:Denmark, Copenhagen **MJ**	1,276	4.6	8,512
Notes: Createam affiliated with Bozell; Zangenberg & Lembourn part of the Eurocom network; Backer Spielvogel Bates Gruppen includes Norgard Mikkelsen, 60% owned; Young & Rubicam includes Wunderman, Cato Johnson and Burson-Marsteller.			
Dominican Republic	**Exchange rates: 0.008929 0.149090 peso -94.0%**		
Young & Rubicam Damaris, Santo Domingo **MJ**	126	(89.8)	838
Cumbre/SSA, Santo Domingo **NE**	121	(65.7)	1,700
McCann-Erickson Dominicana, Santo Domingo **MJ**	73	(91.8)	484
Leo Burnett Co., Santo Domingo **MJ**	46	(92.4)	305
Foote, Cone & Belding, Santo Domingo **MJ**	44	(91.7)	295
Thompson-AIFE-MFP, Santo Domingo **MN**	30	(92.4)	199

Gross income and billings are U.S.$ in thousands.

Notes: Dollars are in millions. Clemenger is 46.67% held by BBDO, which includes that equity in its results. (See Omnicom profile Page S-43). Clemenger had a slight year-to-year increase in gross income in Australian dollars, but a 2.45% decline in the Australian dollar against the U.S. dollar left the agency with an overall decline in gross income and volume. AA maintains constant exchange rates from year to year.

Officers:
P.G. Clemenger, chmn; H.J. Mackley, dir.

Headquarters:
Clemenger/BBDO
474 St. Kilda Rd.
Melbourne, Victoria 3004, Australia
Phone: 613-869-4499
Fax: 613-820-1232

RANK: 24

Dai-Ichi Kikaku Co.

Tokyo
Gross income: **$133.8** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$133.8	$131.0	2.2
Volume	$916.2	$845.0	8.4
Employees	824	753	9.4
Offices	11	11	0.0
U.S.	**1990**	**1989**	**% chg**
Gross income	$5.8	$2.8	106.0
Volume	$38.7	$19.9	94.6

Billings by Asian office city, equity	Billings
Dai-Ichi Communications, Tokyo(MJ)	8.5
Dai-Ichi Kikaku, Tokyo(MJ)	748.1
Dai-Ichi Kikaku Thailand, Bangkok(MJ)	7.8
DIK-Ocean Advertising, Taipei(MJ)	19.4
Sanyo Agency, Tokyo(MJ)	58.3

Notes: Dollars are in millions. Dai-Ichi Kikaku results were affected by a 7.1% decline in the Japanese yen against the U.S. dollar. Dai-Ichi largely holds majority equity in its affiliated companies, all based in Tokyo. These agencies include Sanyu (MJ), Dai-Ichi Communications (MJ), Tokyo Bijutsu (printing-MN), DIK Rapp & Collins (MJ), I&S (MN), DDB Needham Japan (MN), Village (graphic design-JV), Nap (graphic design-MN), How (MJ), Cross Media Japan, (sales promo, commercial production-JV). Together they provided $15 million in gross income on $90.4 million in billings in 1990. Dai-Ichi's domestic network of nine shops spread throughout Japan contributed $4 million gross income on billings of $11.1 million. Internationally, DIK holds minority equity with DDB Needham Worldwide in shops in Hong Kong, Singapore and Kuala Lumpur, Malaysia, and 50% of Kresser Craig DIK in Santa Monica, Calif. Apart from its equity in agencies, Dai-Ichi also holds equity in two U.S. agency holding companies: Omnicom Group at 2.44% and Mickelberry at 4.7%. AA does not count such passive investments by agencies in agency holdings companies, and omitted $35.9 million in gross income from Dai-Ichi numbers.

Officers:
Naoya Sakai, pres-ceo; Teruo Hiraki, Mitsuo Sadakata, exec vps

Headquarters:
Dai-Ichi Kikaku
Hibiya Kokusai Building
2-3 Uchisaiwaicho 2-Chome, Chiyoda-ku
Tokyo 100, Japan
Phone: 813-3595-1311
Fax: 813-3595-0849

RANK: 19

Daiko Advertising

Osaka, Japan
Gross income: **$159.5** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$159.5	$152.1	4.9
Volume	$1,246.9	$1,214.1	2.7
Employees	1,252	1,227	2.0
Offices	33	34	(2.9)

Notes: Dollars are in millions. Daiko's results were affected by a 7.1% decline in the Japanese yen against the U.S. dollar. AA maintains constant exchange rates.

Officers:
Shojiro Nishio, pres; Selichi Takada, Yoshio Maegawa, sr mg dirs.

Headquarters:
Daiko Advertising
3-39, 4-chome, Miyahara, Yodogawa-ku
Osaka 532, Japan
Phone: 816-392-8008
Fax: 816-392-8004

RANK: 11

D'Arcy Masius Benton & Bowles

New York
Gross income: **$532.5** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$532.5	$471.5	12.9
Volume	$4,406.7	$3,803.1	15.9
Employees	5,849	5,534	5.7
Offices	99	93	6.5
U.S.	**1990**	**1989**	**% chg**
Gross income	$276.7	$232.3	19.1
Volume	$2,510.9	$2,055.3	22.2
Employees	2,568	2,341	9.7
Offices	18	16	12.5

D'Arcy Masius Benton & Bowles

Worldwide	1990	1989	% chg
Gross income	$425.7	$385.3	10.5

The Washington/Baltimore advertising region of The Wall Street Journal delivers subscribers with an average household income of $145,800. 85% with HHI $50,000 or more. 89% in top or middle management positions. At rates competitive with the Washington Post or the Baltimore Sun. For details, call your Journal representative.

Source: WSJ 1990 Worldwide Subscriber Study
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Foreign agencies (continued)

Agency, city, equity	Gross income	% chg	1990 Billings
Ecuador	**Exchange rates: 0.001380 0.001930 sucre -28.5%**		
Norlop Thompson Asociados, Guayaquil **MN**	2,21[illegible]	54.5	14,778
Veritas/Ogilvy & Mather, Guayaquil **NE**	1,95[illegible]	5.0	13,474
McCann-Erickson, Guayaquil **MJ**	1,487	0.0	9,918
FCB/Arteñime, Guayaquil **MJ**	598	31.4	3,990
Publicitas, Guayaquil **NE**	273	(40.7)	1,818
VIP Publicidad, Quito **NE**	227	28.2	1,504
Egypt	**Exchange rates: 0.374400 0.405390 Egyptian pound -7.6%**		
Saatchi & Saatchi Advertising, Cairo **JV**	180	NA	1,200
AMA, Leo Burnett, Cairo **NE**	0	(14.2)	1
El Salvador	**Exchange rates: 0.200000 0.200000 colon 0.0%**		
McCann-Erickson Centroamericana, San Salvador **MJ**	946	36.8	6,310
APCU de El Salvador, San Salvador **MN**	582	0.3	3,878
FCB/Siboney, San Salvador **MJ**	339	45.2	2,258
Finland	**Exchange rates: 0.236800 0.233220 markka 1.5%**		
AS & Grey, Helsinki **MN**	19,323	82.2	128,884
Taucher, Young & Rubicam, Helsinki **MN**	13,491	170.0	89,246
BSB Finnad Oy, Helsinki **MJ**	13,109	3.5	87,437
McCann-Erickson Finland, Helsinki **MJ**	12,975	(5.5)	86,540
Markkinointi Viherjuuri Oy, Helsinki **NA**	8,863	8.8	27,694
Oy Dagmar, Helsinki **NA**	7,033	21.1	148,924
Lintas Oy, Helsinki **MJ**	6,856	(4.2)	45,732
Erva-Latvala Oy, Helsinki **NA**	5,974	(2.0)	33,217
AKT/BBDO Business Communications, Helsinki **MN**	4,853	0.5	14,086
Turkama & Kumppanit Oy, Helsinki **NA**	4,618	(13.3)	30,799
Oy Interplan, Helsinki **NE**	3,623	19.5	24,154
Oy Adsek, Tampere **NA**	3,588	(4.9)	NA
Anderson & Lembke Oy, Helsinki **NA**	3,552	4.5	NA
MK-Mainos Oy, Helsinki **NA**	3,545	(0.6)	NA
Markkinointi Topitorma Oy, Helsinki **NA**	3,528	7.3	23,534
Juniormainos Oy, Helsinki **NA**	3,090	(1.3)	20,612
Kauppamainos Bozell, Helsinki **NE**	3,031	(5.1)	12,314
Varis Poteri Veistola Oy, Helsinki **NA**	3,031	23.0	12,124
Mainostoimisto Konsepti Oy, Helsinki **NA**	2,984	(5.2)	NA
J. Walter Thompson Co.-Finland Oy, Helsinki **NE**	2,842	(15.0)	18,953
Mainostoimisto MAS Oy, Helsinki **NA**	2,842	(23.3)	18,953
Oy Valotorni, Helsinki **NA**	2,647	16.8	17,654
Ogilvy & Mather Oy, Helsinki **MJ**	2,565	1.4	18,427
Mainostoimisto Oy, Tampere **NA**	2,420	7.2	16,142
Datum Oy, Helsinki **NA**	2,368	4.1	NA
Eurocom Finland, Helsinki **MJ**	2,321	(3.4)	15,479
DMB&B Oy, Helsinki **MJ**	2,023	1.9	13,485
FVY Alliance, Helsinki **MN**	1,894	(47.6)	12,598
Oy Avant/BBDO, Helsinki **MN**	1,642	17.9	5,358
K&D Planning Oy, Helsinki **MJ**	840	43.6	5,600

Notes: McCann-Erickson incl. Oy Lukemainonta-McCann and Womena; AS-Grey includes SEK & Grey, MY & [illegible]y, SEK & Grey Eminence and Grey Production; Lintas Oy includes Make Direct and Impulse; Eurocom Finland formerly called HDM Exit Oy; Oy Interplan affiliated with Saatchi & Saatchi Advertising; Tauche[illegible]ung & Rubicam includes Wunderman; 1990 billings AA estimates for Erva-Latvala Oy, Turkama & Kumppanit, [illegible]a Mainostoimisto Topitorma, Juniormainos, Varis Poteri Veistola and Valotorni.

France	Exchange rates: 0.162100 0.156750 franc 16.2%		
RSCG France, Issy les Mo[illegible]eaux **MJ**	180,000	34.3	1,200,603
Publicis Conseil, Paris **MJ**	174,121	32.7	1,161,389
BDDP France, Paris **MJ**	[illegible]8,011	74.3	775,774
HDM France, Paris **MJ**	[illegible]289	16.6	849,010
Belier Groupe, Puteaux **MJ**	12[illegible],126	18.8	809,927
Young & Rubicam France, Boulogne **MJ**	[illegible]75	42.1	523,197
DDB Needham France, Paris **MJ**	[illegible]6[illegible]	72.6	4[illegible],309
Lintas:France Group, Paris **MJ**	54,[illegible]54	27.9	363,209
Ogilvy & Mather, Paris **MJ**	49,405	19.1	340,725
McCann-Erickson France, Paris **MJ**	44,148	37.9	294,467
Saatchi & Saatchi Advertising, Paris **MJ**	42,247	25.5	281,649
Synergie, Paris **MJ**	39,916	43.1	276,373
Grey, Paris **MJ**	35,700	65.5	238,120
FCA! Paris, Suresnes **MJ**	27,497	29.6	183,406
CLM/BBDO, Boulogne-Billancourt **MJ**	26,587	33.6	203,588
Foote, Cone & Belding, Neuilly **MJ**	25,858	34.6	172,085
Ayer France, Paris **MN**	25,494	36.7	169,353
CFP Alliance, Paris **MN**	20,942	31.0	139,671
Robert & Partners, Paris **MJ**	19,121	45.2	127,470
Equateur, Paris **MJ**	17,664	25.2	117,637
DMB&B, Paris **MJ**	17,372	14.4	141,465
Bordelais, Lemeunier Leo Burnett Paris, Paris **MJ**	16,288	46.4	108,593
BSB France, Puteaux **MJ**	15,114	24.4	102,158
J. Walter Thompson Co., Paris **MJ**	14,891	38.6	99,322
Alice, Paris **JV**	14,700	5.8	98,300
TBWA De Plas, Paris **MJ**	12,825	(25.5)	85,562
MAO, Paris **MJ**	10,198	24.6	68,288
Iceberg Bozell, Paris **MJ**	10,016	NA	52,809
Australie, Paris **MJ**	8,832	56.5	58,908
Eldorado, Paris **MJ**	8,632	34.2	60,093
Agence MK Group, Paris **MJ**	6,398	6.5	66,326
Groupe Amazonie, Paris **MN**	5,463	74.3	21,852
HCA, Paris **MJ**	5,463	34.0	36,420
Organisation et Publicite, Paris **MJ**	5,[illegible]55	29.0	30,625
IDM, Suresnes **MJ**	4,370	24.9	29,140
Kilimandjaro, Paris **MJ**	4,370	39.4	29,136

Gross income and billings are U.S.$ in thousands

Top 10 agencies by U.S. media billings

Agencies ranked in 14 media categories by 1990 volume

Newspaper

Rank	Agency	Media billings 1990	1989	% chg	Total billings 1990	Media % total billings 1990
1	Bernard Hodes Group	$147.7	$138.7	6.4	$201.4	73.3
2	Young & Rubicam	115.1	113.0	1.9	2,112.3	5.4
3	DDB Needham Worldwide	101.1	90.6	11.7	1,631.9	6.2
4	Lintas:Worldwide	91.4	127.0	(28.1)	1,354.6	6.7
5	Grey Advertising	91.1	102.8	(11.4)	1,710.0	5.3
6	Saatchi & Saatchi Advertising Worldwide	88.6	69.4	27.7	1,860.9	4.8
7	BBDO Worldwide	87.9	87.8	0.1	1,320.1	6.7
8	J. Walter Thompson Co.	83.6	143.7	(41.8)	1,787.4	4.7
9	D'Arcy Masius Benton & Bowles	80.1	94.5	(15.2)	1,978.2	4.0
10	Bozell Inc.	77.4	84.4	(8.3)	1,175.0	6.6

Consumer magazine

Rank	Agency	Media billings 1990	1989	% chg	Total billings 1990	Media % total billings 1990
1	Saatchi & Saatchi Advertising Worldwide	$275.2	$309.7	(11.2)	$1,860.9	14.8
2	Young & Rubicam	238.0	228.0	4.4	2,112.3	11.3
3	Leo Burnett Co.	205.5	207.4	(0.9)	2,035.2	10.1
4	J. Walter Thompson Co.	204.1	216.4	(5.7)	1,787.4	11.4
5	Grey Advertising	184.9	169.4	9.1	1,710.0	10.8
6	DDB Needham Worldwide	179.4	182.3	(1.6)	1,631.9	11.0
7	D'Arcy Masius Benton & Bowles	178.5	176.1	1.4	1,978.2	9.0
8	McCann-Erickson Worldwide	170.0	165.0	3.0	1,401.4	12.1
9	BBDO Worldwide	159.6	139.6	14.3	1,320.1	12.1
10	Foote, Cone & Belding Communications	158.6	149.9	5.8	1,753.2	9.0

Sunday newspaper distributed magazine

Rank	Agency	Media billings 1990	1989	% chg	Total billings 1990	Media % total billings 1990
1	Young & Rubicam	$15.6	NA	NA	$2,112.3	0.7
2	TBWA Advertising	12.5	9.3	34.4	281.2	4.4
3	Lois/GGK New York	10.0	10.0	0.0	136.8	7.3
4	Ross Roy Group	9.3	5.0	85.3	707.0	1.3
5	Noble Communications	6.4	6.3	2.4	84.5	7.6
6	Ogilvy & Mather Worldwide	6.4	9.9	(35.8)	1,606.1	0.4
7	Valentine-Radford	5.6	8.4	(34.2)	97.6	5.7
8	Laurence, Charles, Free & Lawson	5.0	4.9	1.8	284.0	1.8
9	J. Richard Smith Advertising	4.3	4.2	1.2	44.0	9.7
10	N W Ayer	4.0	2.6	52.5	892.2	0.4

Business publications

Rank	Agency	Media billings 1990	1989	% chg	Total billings 1990	Media % total billings 1990
1	Ketchum Communications	$54.9	$43.7	25.6	$944.0	5.8
2	J. Walter Thompson Co.	51.9	40.2	29.1	1,787.4	3.0
3	Della Femina, McNamee	46.8	36.4	28.8	782.0	6.0
4	Saatchi & Saatchi Advertising Worldwide	43.8	30.6	42.9	1,860.9	2.4
5	Ogilvy & Mather Worldwide	31.2	38.9	(19.9)	1,606.1	1.9
6	McCann-Erickson Worldwide	30.0	36.4	(17.6)	1,401.4	2.1
7	BBDO Worldwide	27.4	38.3	(28.4)	1,320.1	2.1
8	Campbell-Mithun-Esty	23.7	24.9	(5.0)	892.5	2.7
9	Lintas:Worldwide	18.9	17.4	8.1	1,354.6	1.4
10	Dahlin Smith White	16.0	NA	NA	38.4	41.7

Medical journals

Rank	Agency	Media billings 1990	1989	% chg	Total billings 1990	Media % total billings 1990
1	Lavey/Wolff/Swift	$73.7	$57.9	27.3	$136.0	54.2
2	Klemtner Advertising	49.5	49.3	0.4	134.4	36.8
3	Sudler & Hennessey	33.5	34.0	(1.5)	173.4	19.3
4	Dorritie Lyons & Nickel	30.6	31.5	(2.7)	60.0	51.0
5	McCann-Erickson Worldwide	28.0	65.0	(56.9)	1,401.4	2.0
6	M.E.D. Communications	25.0	19.0	31.6	100.0	25.0
7	Vicom/FCB	21.4	17.6	21.7	95.4	22.5
8	Gross Townsend Frank Hoffman	19.0	20.0	(5.0)	78.1	24.3
9	Kallir, Philips, Ross	15.2	18.4	(17.2)	181.5	8.4
10	Cline, Davis & Mann	15.1	7.2	109.7	51.3	29.4

Farm publications

Rank	Agency	Media billings 1990	1989	% chg	Total billings 1990	Media % total billings 1990
1	Bader Rutter & Associates	6.5	NA	NA	62.5	10.4
2	Young & Rubicam	5.9	7.7	(23.5)	2,112.3	0.3
3	Saatchi & Saatchi Advertising Worldwide	4.4	7.6	(42.1)	1,860.9	0.2
4	Tucker Wayne/Luckie & Co.	4.3	NA	NA	116.2	3.7
5	Al Paul Lefton Co.	4.1	3.3	24.2	85.0	4.8
6	Rumrill-Hoyt	3.6	3.7	(3.0)	89.1	4.1
7	Valentine-Radford	2.5	2.2	14.8	97.6	2.6
8	Lois/GGK Chicago	2.5	NA	NA	87.2	2.9
9	McFarland Group	2.2	1.8	22.9	12.4	17.3
10	Geer, DuBois	1.5	1.9	(21.1)	135.0	1.1

Yellow Pages

Rank	Agency	Media billings 1990	1989	% chg	Total billings 1990	Media % total billings 1990
1	Telephone Marketing Programs	$351.7	$252.1	39.5	$351.7	100.0
2	D'Arcy Masius Benton & Bowles	100.7	34.5	192.2	1,978.2	5.1
3	Berry Network	89.6	97.0	(7.6)	89.6	100.0
4	Foote, Cone & Belding Communications	83.1	67.6	22.7	1,753.2	4.7
5	Ketchum Communications	80.5	75.9	6.1	944.0	8.5
6	Bernard Hodes Group	24.8	39.8	(37.7)	201.4	12.3
7	Cato Johnson Worldwide	20.5	19.8	3.4	191.6	10.7
8	Bozell Inc.	20.3	18.3	10.9	1,175.0	1.7
9	Ogilvy & Mather Worldwide	10.6	NA	NA	1,606.1	0.7
10	Grey Advertising	9.8	9.0	9.3	1,710.0	0.6

Spot TV

Rank	Agency	Media billings 1990	1989	% chg	Total billings 1990	Media % total billings 1990
1	Saatchi & Saatchi Advertising Worldwide	$584.3	$456.5	28.0	$1,860.9	31.4
2	Chiat/Day/Mojo	497.3	390.0	27.5	682.0	72.9
3	D'Arcy Masius Benton & Bowles	448.6	357.9	25.4	1,978.2	22.7
4	Foote, Cone & Belding Communications	378.0	361.6	4.5	1,753.2	21.6
5	Young & Rubicam	356.7	300.8	18.6	2,112.3	16.9
6	J. Walter Thompson Co.	355.1	326.1	8.9	1,787.4	19.9
7	Campbell-Mithun-Esty	308.1	279.4	10.3	892.5	34.5
8	Grey Advertising	301.7	321.2	(6.1)	1,710.0	17.6
9	Backer Spielvogel Bates Worldwide	270.4	236.3	14.4	1,136.0	23.8
10	BBDO Worldwide	266.6	240.3	10.9	1,320.1	20.2

Network TV

Rank	Agency	Media billings 1990	1989	% chg	Total billings 1990	Media % total billings 1990
1	Leo Burnett Co.	$894.0	$855.1	4.6	$2,035.2	43.9
2	Saatchi & Saatchi Advertising Worldwide	858.2	803.3	6.8	1,860.9	46.1
3	D'Arcy Masius Benton & Bowles	731.1	645.9	13.2	1,978.2	37.0
4	Grey Advertising	634.5	532.9	19.1	1,710.0	37.1
5	Young & Rubicam	564.9	540.9	4.4	2,112.3	26.7
6	Backer Spielvogel Bates Worldwide	532.8	602.4	(11.6)	1,136.0	46.9
7	J. Walter Thompson Co.	523.6	495.9	5.6	1,787.4	29.3
8	BBDO Worldwide	514.1	454.3	13.2	1,320.1	38.9
9	Ogilvy & Mather Worldwide	504.9	512.4	(1.5)	1,606.1	31.4
10	McCann-Erickson Worldwide	493.0	465.8	5.8	1,401.4	35.2

Cable TV

Rank	Agency	Media billings 1990	1989	% chg	Total billings 1990	Media % total billings 1990
1	D'Arcy Masius Benton & Bowles	$125.2	$45.6	174.4	$1,978.2	6.3
2	DDB Needham Worldwide	89.1	56.5	57.6	1,631.9	5.5
3	Young & Rubicam	78.8	32.7	141.2	2,112.3	3.7
4	Foote, Cone & Belding Communications	71.0	60.2	17.9	1,753.2	4.0
5	Saatchi & Saatchi Advertising Worldwide	69.9	61.4	13.8	1,860.9	3.8
6	Grey Advertising	66.6	47.8	39.3	1,710.0	3.9
7	Leo Burnett Co.	54.9	38.4	43.0	2,035.2	2.7
8	BBDO Worldwide	49.2	11.0	347.2	1,320.1	3.7
9	Lintas:Worldwide	40.4	43.9	(8.0)	1,354.6	3.0
10	McCann-Erickson Worldwide	40.0	30.0	33.3	1,401.4	2.9

Syndicated TV

Rank	Agency	Media billings 1990	1989	% chg	Total billings 1990	Media % total billings 1990
1	Leo Burnett Co.	$138.5	$130.5	6.1	$2,035.2	6.8
2	D'Arcy Masius Benton & Bowles	96.9	80.1	21.0	1,978.2	4.9
3	Foote, Cone & Belding Communications	57.0	40.0	42.5	1,753.2	3.3
4	Saatchi & Saatchi Advertising Worldwide	49.0	NA	NA	1,860.9	2.6
5	McCann-Erickson Worldwide	45.0	42.0	7.1	1,401.4	3.2
6	Jordan, McGrath, Case & Taylor	44.4	41.6	6.7	340.0	13.1
7	DDB Needham Worldwide	36.0	29.1	23.4	1,631.9	2.2
8	Young & Rubicam	27.6	15.9	74.0	2,112.3	1.3
9	Hal Riney & Partners	12.0	6.8	77.8	300.0	4.0
10	Ally & Gargano	10.8	NA	NA	328.0	3.3

Spot radio

Rank	Agency	Media billings 1990	1989	% chg	Total billings 1990	Media % total billings 1990
1	D'Arcy Masius Benton & Bowles	$157.1	$100.3	56.6	$1,978.2	7.9
2	DDB Needham Worldwide	102.8	125.0	(17.7)	1,631.9	6.3
3	Foote, Cone & Belding Communications	96.0	93.1	3.1	1,753.2	5.5
4	Young & Rubicam	91.4	71.1	28.6	2,112.3	4.3
5	McCann-Erickson Worldwide	90.0	93.2	(3.4)	1,401.4	6.4
6	Ketchum Communications	82.9	65.0	27.6	944.0	8.8
7	Bozell Inc.	79.4	81.0	(2.0)	1,175.0	6.8
8	Backer Spielvogel Bates Worldwide	73.8	94.5	(21.9)	1,136.0	6.5
9	Saatchi & Saatchi Advertising Worldwide	63.2	53.1	19.0	1,860.9	3.4
10	J. Walter Thompson Co.	62.3	75.2	(17.2)	1,787.4	3.5

Network radio

Rank	Agency	Media billings 1990	1989	% chg	Total billings 1990	Media % total billings 1990
1	Campbell-Mithun-Esty	$88.0	NA	NA	$892.5	9.9
2	DDB Needham Worldwide	55.8	NA	NA	1,631.9	3.4
3	Ogilvy & Mather Worldwide	40.0	54.7	(26.9)	1,606.1	2.5
4	Lintas:Worldwide	37.5	NA	NA	1,354.6	2.8
5	D'Arcy Masius Benton & Bowles	31.0	NA	NA	1,978.2	1.6
6	N W Ayer	30.2	26.5	13.9	892.2	3.4
7	J. Walter Thompson Co.	23.7	NA	NA	1,787.4	1.3
8	Backer Spielvogel Bates Worldwide	20.4	NA	NA	1,136.0	1.8
9	BBDO Worldwide	16.8	NA	NA	1,320.1	1.3
10	Bozell Inc.	15.3	15.0	2.0	1,175.0	1.3

Outdoor

Rank	Agency	Media billings 1990	1989	% chg	Total billings 1990	Media % total billings 1990
1	Leo Burnett Co.	$127.1	$126.3	0.6	$2,035.2	6.2
2	Ally & Gargano	59.5	28.0	112.5	328.0	18.1
3	Young & Rubicam	36.9	29.4	25.4	2,112.3	1.7
4	Backer Spielvogel Bates Worldwide	36.4	35.4	2.8	1,136.0	3.2
5	Saatchi & Saatchi Advertising Worldwide	35.1	40.0	(12.3)	1,860.9	1.9
6	D'Arcy Masius Benton & Bowles	31.6	30.3	4.2	1,978.2	1.6
7	J. Walter Thompson Co.	25.5	19.0	34.1	1,787.4	1.4
8	DDB Needham Worldwide	22.9	16.4	39.4	1,631.9	1.4
9	Grey Advertising	17.7	31.8	(44.4)	1,710.0	1.0
10	Laurence, Charles, Free & Lawson	17.6	14.8	18.7	284.0	6.2

Notes: Dollars are in millions. Total agency billings and billings by media exclude the billings of all subsidiary agencies ranked in this report. See Page S-17 for a list of those agencies excluded from parent agency totals. Media totals for Saatchi & Saatchi Advertising Worldwide include Team One and Conill Advertising.

Worldwide	1990	1989	% chg
Volume	$3,605.1	$3,163.6	14.0
Employees	4,825	4,668	3.4
Offices	56	54	3.7
U.S.	**1990**	**1989**	**% chg**
Gross income	$204.4	$178.4	14.6
Volume	$1,978.2	$1,650.3	19.9
Employees	1,908	1,816	5.1
Offices	3	4	(25.0)

Billings by U.S. office city	Billings
D'Arcy Masius Benton & Bowles, San Antonio	62.0
D'Arcy Masius Benton & Bowles, Los Angeles	102.1
D'Arcy Masius Benton & Bowles, New York	882.1
D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich	436.5
D'Arcy Masius Benton & Bowles, Chicago	134.0
D'Arcy Masius Benton & Bowles, St. Louis	365.5

Billings by Asian office city, equity	Billings
DMB&B, Sydney(MJ)	98.1
DMB&B, Singapore(MJ)	10.9
DMB&B, Auckland(MJ)	13.4
DMB&B-Modern, Hong Kong(MJ)	18.9
Perwanal/DMB&B, Jakarta(MN)	2.5
Seoul/DMB&B, Seoul(MN)	60.5
Synergie Tokyu DMB&B Co., Bangkok(MN)	5.0
Tokyu Agency International, Tokyo(MN)	262.8

Billings by European office city, equity	Billings
ADA Group, London(MJ)	33.5
Agence MK Group, Paris(MJ)	66.3
Danis/DMB&B, Madrid(MJ)	105.5
DMB&B, Brussels(MJ)	95.7
DMB&B, Lisbon(MJ)	4.5
DMB&B, Moscow(MJ)	0.6
DMB&B, Frankfurt(MJ)	322.4
DMB&B, Dublin(MN)	4.7
DMB&B, Paris(MJ)	141.5
DMB&B, London(MJ)	547.9
DMB&B, Milan(MJ)	168.5
DMB&B, Amsterdam(MJ)	44.1
DMB&B, Frederiksberg(MJ)	22.1
DMB&B, Vienna(MJ)	14.5
DMB&B, Stockholm(MJ)	32.7
DMB&B Ergon, Athens(MJ)	8.9
DMB&B Ipsen & Parmo, Copenhagen(MJ)	16.1
DMB&B Oy, Helsinki(MJ)	13.5
DMB&B Lund & Lommer, Oslo(MJ)	37.7
Penajans DMB&B Ticaret, Istanbul(MN)	7.2
Yellowhammer, London(MJ)	123.8

Billings by Latin American office city, equity	Billings
DMB&B de Venezuela, Caracas(MN)	3.3
DMB&B/Noble, Mexico City(MJ)	26.6
Graffiti DMB&B, Buenos Aires(MN)	NA

Billings by other offices city, equity	Billings
DMB&B, Toronto(MJ)	61.4
Manning, Selvage & Lee, New York	147.4
DMB&B, Jeddah(MJ)	NA

Notes: Dollars are in millions. D'Arcy Masius Benton & Bowles' totals include billings from Manning, Selvage & Lee, its public relations unit. In the U.S., DMB&B sold its San Francisco unit in 1990. On the international level, MS&L took equity of 40% in Tokyu Manning Selvage & Lee, a joint venture with Tokyu Agency International. DMB&B owns 24.5% of the new venture. DMB&B divested much of its Dublin, Ireland, agency business, reducing its holdings from 100% to 15%. DMB&B also folded its Saudi Arabia and Switzerland units and merged the remaining business in regional shops. In 1990, DMB&B bought one of London's biggest independent ad agencies, Yellowhammer. DMB&B figures also include those of its medical unit, Medicus Intercon International. Medicus added three U.S. offices in 1990 in boosting U.S. billings by 67.7%, but its fully owned international operations remained its largest contributor, accounting for 58% of Medicus' overall billings. D'Arcy Masius Benton & Bowles' organization totals comprising its ranking are a composite of its equity in gross income and billings in each agency listed in the profile. Totals also include holdings in non-media advertising businesses not listed. Each shop broken out under DMB&B is by 100% of its billings.

Officers:
Roy Bostock, chmn-ceo; Clayton Wilhite, pres-USA; John C. Ferries, pres-intl; George J. Simko, pres-diversified div; Craig D. Brown, exec vp-cfo.

Headquarters:
D'Arcy Masius Benton & Bowles
1675 Broadway
New York, N.Y. 10019
Phone: 212-468-3622
Fax: 212-468-4385

Clarion Marketing & Communications

U.S.	1990	1989	% chg
Gross income	$26.0	$18.8	38.4
Volume	$186.9	$151.0	23.8
Employees	190	133	42.9
Offices	4	4	0.0

Officers:
Raymond S. Rizzo, ceo; Dennis P. Waldera, exec vp corp devel; William J. Schettini, exec vp-mg dir; Louis P. Boroff, exec vp-mg dir.

Headquarters:
Clarion Marketing & Communications
340 Pemberwick Rd.
Greenwich, Conn. 06831
Phone: 203-531-3600
Fax: 203-532-0116

Medicus Intercon International

Worldwide	1990	1989	% chg
Gross income	$58.7	$47.1	24.6
Volume	$467.2	$352.7	32.5
Employees	615	501	22.8
Offices	34	30	13.3
U.S.	**1990**	**1989**	**% chg**
Gross income	$24.1	$14.7	63.7
Volume	$198.3	$118.3	67.7
Employees	251	160	56.9
Offices	6	3	100.0

Billings by Non-U.S. office city, equity	Billings
Medicus Intercon KK, Tokyo(MJ)	24.8
Medicus Intercon Pacific, Hong Kong(MJ)	6.5
Peter Doyle Advertising, Sydney(MJ)	9.0
Intercon Medicus, Wiesbaden(MJ)	93.4
Medicus Intercon, Rome/Milan(MJ)	24.5
Medicus Intercon, Madrid-Barcelona(MJ)	1.8
Medicus Intercon, Toronto(MJ)	9.1

Officers:
Lawrence J. Lesser, chmn-ceo; William Castagnoli, vice chmn; Glenn DeSimone, pres-USA; Nick Maiale, exec vp-intl.

Headquarters:
Medicus Intercon International
1675 Broadway
New York, N.Y. 10019
Phone: 212-468-3100
Fax: 212-468-4385

Foreign agencies (continued)

Agency, city, equity	Gross income	% chg	1990 Billings
France (continued)	**Exchange rates: 0.182100 0.156750 franc**		
Sources, Paris **MJ**	4,350	48.5	28,950
Lagon, Paris **MJ**	3,849	20.4	25,676
Lowe Quadrillage et Associes, Paris **MN**	3,668	33.0	28,216
Utile, Suresnes **MJ**	3,280	(29.0)	21,850
Concurrence, Paris **MJ**	2,820	(10.2)	25,490
GGK Paris, Paris **MJ**	2,623	(4.1)	17,486
CIA/Ketchum, Paris **MN**	2,596	188.1	17,309
Kobs & Draft/France, Puteaux **MJ**	2,430	86.2	16,200
Black Pencil, Paris **MJ**	2,198	6.0	14,655
Conquest Europe France, Paris **MJ**	2,150	23.8	14,675
Dimanche, Neuilly **MJ**	2,003	NA	12,528
Hakuhodo France, Boulogne **MJ**	1,575	NA	6,097
MOCM, Suresnes **MJ**	1,530	29.7	10,200
Publicite Claude Michel, Paris **NA**	986	17.9	4,520
Teleobjectif, Boulogne **MN**	860	138.9	2,430
Herald, Paris **NA**	510	(15.5)	2,549

Notes: Gross income and billings figures for the FCA! network do not include IDM, Sources, Utile, Concurrence, MOCM and Teleobjectif. If these six are added, FCA! Groupe shows gross income of $44,707,100 and billings of $301,465,657, which would put it in 10th place instead of 14th. Agence Amazonne part of the Crossworld group; Young & Rubicam includes Wunderman, Cato Johnson, Sudler & Hennessey and Burson-Marsteller; Synergie, Equateur, Robert & Partners, Eldorado, MAO, Australie, Dimanche, Kilimandjaro, Lagon, HCA and OP all part of the Eurocom group; McCann-Erickson France includes Joannis Schneider, Universal Media, France SP-3, Grenoble, Internal, Fab, Lyon, Creation, Paris, Lauro Ltd. and AMP France; Gross income figures for Lowe Quadrillage are AA estimates; Alice joint venture with Collett-Dickenson Pearce, London; Black Pencil majority owned by Lois Burnett Co.

Germany	Exchange rates: 0.614400 0.532850 mark		15.3%
Lintas:Deutschland, Hamburg **MJ**	70,390	34.5	469,501
Team/BBDO Group Germany, Duesseldorf **MJ**	60,427	31.2	403,051
McCann-Erickson Germany, Frankfurt **MJ**	55,327	23.9	369,030
Young & Rubicam, Frankfurt **MJ**	53,725	35.8	360,594
Grey Gruppe Deutschland, Duesseldorf **MJ**	49,066	29.1	327,270
Ogilvy & Mather Germany, Frankfurt **MJ**	47,005	14.5	350,228
Eurocom Eggert, Duesseldorf **MJ**	39,506	19.4	263,516
BSB Deutschland, Frankfurt **MJ**	39,307	24.8	262,171
DMB&B, Frankfurt **MJ**	36,237	16.1	322,379
Saatchi & Saatchi Advertising, Frankfurt **MJ**	33,853	8.9	225,669
Michael Conrad & Leo Burnett, Frankfurt **MJ**	33,500	43.5	223,344
Wensauer DDB Needham, Duesseldorf **MJ**	33,275	15.4	221,944
J. Walter Thompson Co., Frankfurt **MJ**	27,462	25.9	183,080
Scholz & Friends, Hamburg **MJ**	26,419	35.5	176,210
Publicis FCB, Duesseldorf **MJ**	25,557	12.1	170,466
Wilkens Ayer, Hamburg **MJ**	21,924	11.9	151,185
TBWA, Frankfurt/Duesseldorf/Hamburg **MJ**	21,309	19.7	142,063
Springer & Jacoby, Hamburg **NE**	19,000	25.0	184,000
Lowe Luerzer, Frankfurt/Duesseldorf **MJ**	17,333	8.8	133,330
Baums, Mang & Zimmermann, Duesseldorf **MN**	16,343	21.2	108,995
Heye & Partner, Munich **MN**	16,331	34.6	108,930
Serviceplan Marketing, Munich **NA**	15,577	31.6	103,901
von Mannstein Werbeagentur, Solingen **NA**	13,836	39.9	92,284
RSCG Butler Rang, Duesseldorf **MJ**	13,495	26.0	90,010
Borsch, Stengel & Partner, Frankfurt **NA**	11,551	25.4	76,800
Wolff & Partner, Stuttgart **MJ**	8,535	205.9	56,900
Intercon Medicus, Wiesbaden **MJ**	7,803	18.9	93,403
GGK Communications, Duesseldorf/Frankfurt **MJ**	7,004	8.6	46,694
Agentur DAMM, Koblenz **NA**	6,116	51.7	40,792
Hakuhodo Deutschland, Duesseldorf **MJ**	5,074	(7.3)	30,964
Guettig & Hoffmeister Alliance, Frankfurt **MN**	4,977	29.7	33,178
Gruppe Marketing & Werbung, Frankfurt **MN**	3,226	39.2	21,612
Holtkamp Mueller Kentenich & May, Duesseldorf **MJ**	2,949	58.1	19,661
Bozell Werbeagentur, Frankfurt **MJ**	2,845	21.6	18,973
Logo FCA!, Stuttgart **MJ**	2,396	NA	15,974
Logo FCA!, Duesseldorf **MJ**	2,176	50.1	14,511
V&B Werbeagentur, Hamburg **MJ**	1,966	39.5	13,114
Durana Ketchum, Frankfurt **MJ**	1,401	15.3	9,339
Conquest Europe Germany, Frankfurt **MJ**	915	32.0	6,150

Notes: Heye & Partner 44.5% owned by DDB Needham; Young & Rubicam includes Wunderman, Cato Johnson, Sudler & Hennessey and Burson-Marsteller; VZB Werbeagentur part of Eurocom; McCann-Erickson includes M-E International Universal Kommunikation, M-E Intensiv, Art Work, Promotion, Healthcare, Media Intensiv and Krakow; Gross income figures for both years for Lowe Luerzer AA estimates; Gruppe part of the Crossworld network; Holtkamp Mueller Kentenich & May part of BDDP group; BSB Deutschland includes data for Scholz & Friends.

Greece	Exchange rates: 0.006340 0.006260 drachma		1.3%
Spot/Thompson Advertising, Athens **MN**	7,760	37.0	51,766
Adel/SSA, Athens **JV**	5,801	23.7	28,340
Bold Advertising/Ogilvy & Mather, Athens **MN**	5,262	27.2	36,835
Lintas:Athens, Athens **MJ**	4,956	38.8	33,057
Olympic DDB Needham, Athens **MJ**	4,818	42.4	32,139
Leo Burnett S.A., Athens **MJ**	4,075	36.7	27,169
BBDO Athens, Athens **MJ**	3,490	37.8	23,279
McCann-Erickson Hellas, Athens **MJ**	3,359	47.4	22,402
Gnomi/Publicis FCB, Athens **MN**	2,962	49.8	19,757
Geo/Young & Rubicam, Athens **MN**	2,527	72.0	12,452
Alector Advertising, Athens **NA**	2,473	46.3	16,167
BSB Athens, Athens **MJ**	2,060	32.6	12,840
Gratis, Athens **NA**	1,676	71.0	11,178
DMB&B Ergon, Athens **MJ**	1,363	57.3	8,876
Global, Athens **NA**	1,342	53.8	8,949
Magnet, Athens **NA**	1,211	75.9	5,693
Eurocom Greece, Athens **MJ**	858	11.5	5,757
Bozell Middis East, Athens **MN**	753	(22.8)	3,680
Echo Advertising, Athens **NA**	748	17.2	5,300
Lamda Alpha Advertising, Athens **NE**	729	NA	5,072
Saatchi & Saatchi Direct, Athens **JV**	602	(12.6)	3,043

Gross income and billings are U.S.$ in thousands.

THE WALL STREET JOURNAL.

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Source: WSJ 1990 Weekend Subscriber Study.
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RANK: 5

Dentsu Inc.

Tokyo
Gross income: **$1,254.8** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$1,254.8	$1,262.7	(0.6)
Volume	$9,671.6	$9,695.5	(0.2)
Employees	5,767	5,743	0.4
Offices	45	44	2.3
U.S.	**1990**	**1989**	**% chg**
Gross income	$26.0	$23.5	10.7
Volume	$197.9	$180.6	9.6

Billings by Asian office city, equity	Billings
Ad Dentsu, Tokyo(MJ)	91.3
Dentsu Australia, Sydney(MJ)	65.9
Dentsu, Young & Rubicam, New York/Tokyo(JV)	884.1

Notes: Dollars are in millions. Dentsu Inc.'s share in the newly formed Dentsu, Young & Rubicam Partnership, another top 50 advertising organization, is included in 1990 results, although its 30% stake in CDP Europe, purchased early this year, is not. Apart from Dentsu's huge ad agency in Tokyo, Dentsu figures include Ad Dentsu, Tokyo, and its regional shops; Dentsu Australia; Dentsu Thailand; Dentsu Eye; Dentsu PR Center; Dentsu Burson-Marsteller Co.; Dentsu Wunderman Direct and DCA Advertising, New York. Dentsu does not include returns from Dentsu Actis (printing and premium production), Dentsu Kosan (real estate service), Dentsu Cotex (typesetting and engraving service), Dentsu Research (market research), Dentsu Institute for Human Studies (a think tank), and Information Service International (a joint venture with General Electric information processing service and software sales). Dentsu Inc. totals comprising its ranking are a composite of its equity in gross income and billings in each agency listed in the profile. Totals also include holdings in non-media advertising businesses not listed. The breakout for each shop in boldface is by 100% of its billings.

Officers:
Gohei Kogure, pres-ceo; Minoru Kamata, exec vp; Akitoshi Ishihara, exec vp.

Headquarters:
Dentsu Inc.
11 Tsukiji 1 chome, Chuo-ku
Tokyo 104, Japan
Phone: 813-3544-5599
Fax: 813-3545-5626

DCA Advertising

U.S.	1990	1989	% chg
Gross income	$11.9	$12.8	(7.5)
Volume	$84.8	$94.0	(9.7)
Employees	131	142	(7.7)
Offices	2	2	0.0

Billings by U.S. office city	Billings
DCA Advertising, Los Angeles	3.5
DCA Advertising, New York	81.3

Officers:
Toshio Narita, pres; Burt Vaupen, chief fin admin officer.

Headquarters:
DCA Advertising
1114 Avenue of the Americas
New York, N.Y. 10036
Phone: 212-703-1400
Fax: 212-703-1599

RANK: 25

Dentsu, Young & Rubicam Partnerships

New York/Tokyo
Gross income: **$126.8** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$126.8	$118.7	6.9
Volume	$884.1	$836.6	5.7
Employees	1,730	NA	NA
Offices	25	NA	NA
U.S.	**1990**	**1989**	**% chg**
Gross income	$28.2	$30.3	(7.1)
Volume	$226.2	$247.3	(8.6)
Employees	350	NA	NA
Offices	5	NA	NA

Billings by Asian office city, equity	Billings
Dentsu, Sudler & Hennessey, Tokyo(JV)	20.8
Dentsu, Young & Rubicam, Hong Kong(JV)	46.5
Dentsu, Young & Rubicam Alcantara, Manila(MN)	12.6
Dentsu, Young & Rubicam China, Beijing(MJ)	3.4
Dentsu, Young & Rubicam Japan, Tokyo(JV)	282.0
Dentsu, Young & Rubicam Korea, Seoul(JV)	9.8
Dentsu, Young & Rubicam Malaysia, Kuala Lumpur(JV)	24.0
Dentsu, Young & Rubicam, Singapore(JV)	24.7
Dentsu, Young & Rubicam Taiwan, Taipei(JV)	7.8
Dentsu, Young & Rubicam Thailand, Bangkok(JV)	20.7
Mattingly & Partners, Melbourne(MN)	197.9
Mattingly & Partners, Auckland(MN)	23.0

Notes: Dollars are in millions. Dentsu, Y&R Partnership was formed out of HDM Worldwide's U.S. and Asian properties after Eurocom bought HDM's European operations from its other partners, Dentsu Inc. and Young & Rubicam. The partnership's U.S. operation includes Lord, Dentsu & Partners, a merger of Lord, Einstein, O'Neill & Partners (which had been 49% owned by Y&R) and HDM's U.S. properties. Under Lord Dentsu is the direct response unit, Bowes Dentsu & Partners (formerly HDM Worldwide Direct), an agency that includes Muldoon Agency, New York, and Stone & Adler, Chicago. HDM's former Asian and Australasian operations comprise the international side, which represents 78% of overall billings of the joint venture. DY&R Partnership totals do not include Lord, Einstein, O'Neill & Partners returns for 1990. DY&R organization totals comprising its ranking are a composite of its equity in each agency listed in the profile. The break out for each shop in boldface is by 100% of its billings.

Officers:
Shinzo Ueno, pres; Gary Burandt, ceo-pres; Alain Rousset, cfo-sr exec vp; Megumi Nimura, sr exec vp.

Headquarters:
Dentsu, Young & Rubicam Partnership
810 Seventh Ave.
New York, N.Y. 10019
Phone: 212-408-2100
Fax: 212-957-9512
also
Kyobashi K-1 Bldg.
2-7-12, Yaesu, Chuo-ku
Tokyo 104, Japan
Phone: 813-3544-7137
Fax: 813-3543-9953

Lord, Dentsu & Partners

U.S.	1990	1989	% chg
Gross income	$28.2	$30.3	(7.1)
Volume	$226.2	$247.3	(8.6)
Employees	350	NA	NA
Offices	5	NA	NA

Officers:
Richard J. Lord, chmn-ceo; Ron Arnold, Mark Hughes, Lee Kovel, partners-creative dirs.

Headquarters:
Lord, Dentsu & Partners
810 Seventh Ave.
New York, N.Y. 10019
Phone: 212-408-2100
Fax: 212-957-9512

Bowes Dentsu & Partners

U.S.	1990	1989	% chg
Gross income	$15.1	$14.4	5.1
Volume	$97.1	$92.4	5.1
Employees	122	108	13.0
Offices	3	3	0.0

Officers:
Murray R. Bowes, chmn-ceo; Katie Muldoon, pres-N.Y.; Craig Thomas, pres-Chicago.

Headquarters:
Bowes Dentsu & Partners
4751 Wilshire Blvd.
Los Angeles, Calif. 90010
213-930-5100
Fax: 213-931-4969

RANK: 43

W.B. Doner & Co.

Southfield, Mich.
Gross income: **$51.4** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$51.4	$52.1	(1.3)
Volume	$395.4	$381.0	3.8
Employees	555	523	6.1
Offices	9	9	0.0
U.S.	**1990**	**1989**	**% chg**
Gross income	$42.6	$44.2	(3.5)
Volume	$311.8	$309.0	0.9
Employees	555	523	6.1
Offices	9	9	0.0

Notes: Dollars are in millions.

Officers:
H.D. Fried, chmn-ceo; James Dale, pres-coo.

Headquarters:
W.B. Doner & Co.
25900 Northwestern Hwy.
Southfield, Mich. 48075
Phone: 313-354-9700

RANK: 7

Eurocom Group

Paris
Gross income: **$748.5** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$748.5	$472.3	58.5
Volume	$5,065.7	$3,195.5	58.5
U.S.	**1990**	**1989**	**% chg**
Gross income	$72.2	$49.4	46.1
Volume	$573.9	$410.4	39.8

Billings by Asian office city, equity	Billings
Ball Partnership, Hong Kong(MJ)	51.6
Ball Partnership, Taipei(MJ)	8.6
Ball Partnership, Kuala Lumpur(MJ)	10.1
Ball Partnership, Singapore(MJ)	13.0
Ball Partnership, Bangkok(MJ)	11.4
Ball Partnership, Sydney(MJ)	38.4
Ulka Advertising, Bombay(NE)	23.9

Billings by European office city, equity	Billings
A42, Milan(MJ)	0.0
ATA Tonic, Milan(MJ)	64.7
Australie, Paris(MJ)	58.9

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Top 25 U.S. cities by billings

For shops owned by 588 agencies

Rank	City	Total local shop billings Reported 1990	1989	% chg	shops	Top office in market by local billings	
1	New York	$24,728.4	$23,003.4	7.5	174	Grey Advertising	$1,469.5
2	Chicago	6,867.1	6,521.7	5.3	72	Leo Burnett Co.	2,035.2
3	Los Angeles	4,321.9	3,988.1	8.4	55	Chiat/Day/Mojo (Venice, Calif.)	384.0
4	Detroit	3,609.4	3,433.4	5.1	27	J. Walter Thompson Co.*	462.0
5	San Francisco	1,922.6	1,447.2	32.8	30	Foote, Cone & Belding/San Francisco*	340.3
6	Dallas-Fort Worth	1,302.7	1,198.3	8.7	17	Tracy-Locke	323.3
7	Minneapolis	1,091.3	1,024.8	6.5	21	Campbell-Mithun-Esty	392.6
8	Boston	922.8	940.5	(1.9)	17	Hill, Holliday, Connors, Cosmopulos	307.5
9	Atlanta	861.1	782.7	10.0	20	BBDO Worldwide	221.5
10	Philadelphia	830.1	769.7	7.8	26	Weightman Group	120.0
11	St. Louis	716.1	627.6	14.1	13	D'Arcy Masius Benton & Bowles	365.5
12	Cleveland	669.6	644.5	3.9	13	Nationwide Advertising Service	209.6
13	Stamford, Conn.	515.9	460.8	12.0	11	Clarion Marketing & Communications (Greenwich)	186.9
14	Houston	435.7	462.8	(5.9)	11	Ogilvy & Mather	125.0
15	Pittsburgh	314.8	342.9	(8.2)	8	Ketchum Communications	105.6
16	Baltimore	305.4	282.8	8.0	8	Richardson, Myers & Donofrio	62.1
17	Milwaukee	296.3	267.1	11.0	13	Bader Rutter & Associates (Brookfield, Wis.)	62.5
18	Seattle	292.7	258.0	13.4	8	Cole & Weber	76.0
19	Washington	257.3	237.7	8.3	4	Earle Palmer Brown (Bethesda, Md.)	179.8
20	Richmond, Va.	230.9	209.3	10.3	4	Martin Agency	155.2
21	Kansas City, Mo.	217.1	208.4	4.2	8	Valentine-Radford	97.6
22	Rochester, N.Y.	212.9	201.0	5.9	6	Rumrill-Hoyt	89.1
23	Miami	180.6	173.4	4.1	10	McFarland & Drier	42.0
24	Winston-Salem**	152.2	152.2	0.0	3	Long, Haymes & Carr	100.8
25	Dayton, Ohio	135.7	136.1	(0.3)	4	Berry Network	89.6

Notes: Dollars are in millions. Figures for 1989 reflect billings reported by agencies in 1990. * indicates local billings are AA estimates. ** includes Asheville, Winston-Salem, Highpoint, N.C.

AA chart: Kevin Brown and Kathy Welyki

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Source: WSJ 1990 Worldwide Subscriber Study
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Foreign agencies (continued)

Agency, city, equity	Gross income	% chg	1990 Billings
Greece (continued) Exchange rates: 0.006340 0.006260 drachma			
Epsilon Epsilon Alliance, Athens **NE**	601	39.4	4,001
RSCG Palavidis, Athens **MJ**	577	8.4	4,869
BBC Ltd., Athens **NA**	537	198.5	3,585
Enterprise Middle East, Athens **MJ**	379	(3.1)	2,525
Conquest Europe Greece, Athens **MJ**	340	8.3	2,297
Bozell Grant, Athens **MN**	323	61.4	2,695
Kobs & Draft, Athens **MJ**	255	NA	1,700
Multicom, Athens **NA**	123	NA	822
Notes: Grafis, Global, Multicom and BBC part of BBDO Worldwide. Bozell Middle East handles business in Dubai, Kuwait and Lebanon; Enterprise Middle East, majority-owned by Leo Burnett Co., does business in the Middle East; Lamda Alpha affiliated with Grey.			
Guatemala Exchange rates: 0.193050 0.357920 quetzal -46.1%			
Publicidad McCann-Erickson, Guatemala City **MJ**	1,004	(27.9)	6,697
Foote, Cone & Belding, Guatemala City **MJ**	407	(18.7)	2,715
APCU Thompson Asociados, Guatemala City **MN**	367	(26.3)	2,452
Modernoble Publicidad, Guatemala City **MN**	108	(70.7)	748
Communica Publicidad, Guatemala City **NE**	1	(26.3)	5
Notes: APCU Thompson, 40% owned by J. Walter Thompson Co., covers Panama, Costa Rica, El Salvador and Honduras; Communica Publicidad affiliated with Leo Burnett Co., Modernoble affiliated with Ogilvy & Mather.			
Honduras Exchange rates: 0.175440 0.500000 lempira -64.9%			
McCann-Erickson Centroamericana, Tegucigalpa **MJ**	408	(54.5)	2,722
FCB/Artefilme, San Pedro Sula **MJ**	166	(49.5)	1,106
APCU de Honduras, Tegucigalpa **MN**	92	(63.0)	616
Hong Kong Exchange rates: 0.128400 0.128200 Hong Kong dollar 0.2%			
Ogilvy & Mather, Hong Kong **MJ**	14,085	26.5	97,139
Leo Burnett Ltd., Hong Kong **MJ**	10,250	17.7	68,339
J. Walter Thompson Co., Hong Kong **MJ**	9,404	28.1	62,691
Bail Partnership, Hong Kong **MJ**	7,730	28.4	51,562
Dentsu, Young & Rubicam, Hong Kong **JV**	6,970	1.6	46,470
Backer Spielvogel Bates, Wanchai **MJ**	6,550	0.6	43,447
BBDO Hong Kong, Hong Kong **MJ**	6,531	41.0	44,070
DDB Needham DIK, Hong Kong **MJ**	5,596	29.6	37,102
McCann-Erickson, Hong Kong **MJ**	5,340	25.7	35,620
Bozell Ltd., Hong Kong **MJ**	5,010	41.9	33,403
People & Grey, Hong Kong **MJ**	4,928	34.2	32,870
Saatchi & Saatchi Advertising, Hong Kong **MJ**	3,851	31.4	25,680
Kobs & Draft, Hong Kong **MJ**	2,985	249.1	19,900
DMB&B-Modern, Hong Kong **MJ**	2,825	30.5	18,885
Lintas:Hong Kong, Hong Kong **MJ**	2,714	9.2	18,104
Foote, Cone & Belding, Hong Kong **MJ**	1,879	24.1	12,535
Lee Davis Ayer, Hong Kong **MN**	1,867	38.9	12,445
Campaign Advertising, Hong Kong **NA**	1,836	30.2	8,346
PMP Advertising, Wanchai **NA**	1,200	23.1	8,000
Far East Ketchum, Wanchai **MN**	1,175	0.2	7,832
BBDO Asia Pacific, Hong Kong **NA**	931	NA	3,693
Medicus Intercon Pacific, Hong Kong **MJ**	908	14.8	6,471
Hakuhodo Hong Kong, Hong Kong **MJ**	639	40.7	4,283
C.C.A.A. Alliance, Hong Kong **NE**	375	0.8	2,504
Notes: Lee Davis Ayer 30% owned by N W Ayer. Gross income for both years for PMP Advertising AA estimates. Medicus Intercon part of DMB&B.			
Hungary Exchange rates: 0.01645 0.012900 forint 27.6%			
Young & Rubicam Hungary, Budapest **MN**	1,538	77.7	5,759
Ogilvy & Mather, Budapest **MJ**	847	369.2	5,844
GGK Budapest, Budapest **NE**	527	191.6	3,505
Topreklam Ltd., Budapest **NE**	517	101.1	3,615
McCann-Erickson Interpress, Budapest **MJ**	506	158.8	3,378
RSCG Havasi & Varga, Budapest **MJ**	395	NA	1,892
Grey Multireklam, Budapest **NE**	230	NA	1,728
Saatchi & Saatchi Advertising, Budapest **NE**	NA	NA	NA
Notes: GGK Budapest, Bozell's Topreklam, Grey Multireklam and Saatchi & Saatchi Advertising all non-equity affiliations.			
India Exchange rates: 0.057400 0.062880 rupee -8.7%			
Hindustan Thompson Associates, Bombay **NE**	10,901	14.2	72,676
Lintas:India, Bombay **MN**	8,690	8.6	57,964
Mudra Communications, Ahmedabad **NE**	5,585	53	37,235
Ogilvy & Mather, Bombay **MN**	4,534	30.7	31,267
Everest Advertising, Bombay/New Delhi **NE**	3,941	10.3	24,329
Ulka Advertising, Bombay **NE**	3,590	(0.9)	23,936
R.K. Swamy/BBDO, Madras **MN**	2,732	(8.4)	18,225
Clarion Advertising, Calcutta **NA**	2,652	16.5	17,679
Contract Advertising, Bombay **MN**	2,321	1.9	15,475
Chaitra Advertising, Bombay **NA**	2,158	16.7	14,384
Trikaya Grey, Bombay **MN**	1,975	27.0	13,172
MAA Communications, Bangalore **NA**	1,837	16.8	12,054
Jaisons Group, Bombay **NA**	1,805	(4.4)	10,230
Advertising & Sales Promotion, New Delhi **NA**	1,758	(11.4)	10,045
Sista's Private, Bombay **NE**	1,295	(1.6)	8,639
Contour Advertising, Bombay **NA**	858	12.5	4,736
McCann-Erickson Tara Sinha, New Delhi **MN**	600	12.4	4,002
National Advertising Service, Bombay **NA**	409	2.0	2,727
Arms Communications, New Delhi **NE**	287	1.4	2,066
Raka Advertising, Bombay **NA**	270	(12.6)	1,516
Adverts, Bombay **NA**	152	NA	1,016
Notes: Non-equity affiliations—Mudra Communications with DDB Needham; Everest Advertising with Saatchi & Saatchi; Ulka with Eurocom; Sista's Private with Backer Spielvogel Bates and Arms Communications with Bozell.			
Indonesia Exchange rates: 0.000550 0.000570 rupiah -3.5%			
Lintas:Indonesia, Jakarta **NE**	4,486	27.3	29,924
Matari, Jakarta **NE**	3,960	28.7	19,030
Gross income and billings are U.S. $ in thousands.			

Billings by European office city, equity	Billings
Azzurra, Milan(MJ)	15.3
Barbella Gagliardi Saffirio, Turin(MJ)	79.7
Belier Groupe, Puteaux(MJ)	809.9
BGS Rome, Rome(MJ)	13.4
Dimanche, Neuilly(MJ)	12.5
Eldorado, Paris(MJ)	60.1
Equateur, Paris(MJ)	117.6
Equipe, Milan(MJ)	13.7
Eurocom Austria, Vienna(MJ)	39.1
Eurocom Belgium, Brussels(MJ)	97.4
Eurocom Denmark, Copenhagen(MJ)	29.5
Eurocom Eggert, Duesseldorf(MJ)	263.5
Eurocom Finland, Helsinki(MJ)	15.5
Eurocom Greece, Athens(MJ)	5.8
Eurocom Italy, Milan(MJ)	99.6
Eurocom Netherlands, Rotterdam(MJ)	46.6
Eurocom Norway, Oslo(MJ)	28.3
Eurocom Portugal, Lisbon(MJ)	10.1
Eurocom Spain, Madrid(MJ)	145.8
Eurocom Sweden, Stockholm(MJ)	0.0
Eurocom Switzerland, Zurich(MJ)	78.7
Eurocom Turkey, Istanbul(MJ)	3.9
FCO, London(MJ)	42.2
HCA, Paris(MJ)	36.4
HDM France, Paris(MJ)	849.0
HDM UK, London(MJ)	151.1
Kilimandjaro, Paris(MJ)	29.1
Lagon, Paris(MJ)	25.7
MAO, Paris(MJ)	68.3
Organisation et Publicite, Paris(MJ)	30.6
Robert & Partners, Paris(MJ)	127.5
Ruiz Nicoli Group, Madrid(MJ)	97.0
Synergie, Paris(MJ)	276.4
V&B Werbeagentur, Hamburg(MJ)	13.1
WCRS, London(MJ)	247.6
WCRS DMA, London(MJ)	35.5
Zangenberg & Lembourn, Copenhagen(MJ)	13.4

Notes: Dollars are in millions. Eurocom Group is a Paris-based agency holding company whose advertising subsidiaries are placed under two holding companies: Eurocom Advertising S.A., a 100%-owned entity that includes all of Eurocom's French and Continental Europe operations, and Eurocom Advertising Ltd., a group 60%-owned. The latter is composed of agencies WCRS in the U.K., Della Femina, McNamee in the U.S. and the Bali Partnership, a network of agencies in Asia. Eurocom also holds 15% equity in Aegis Group, a U.K. holding company that owns 40% of the agency units under Eurocom Advertising Ltd.; and 100% of Carat, Europe's largest media buying company. (See story about Aegis on Page S-4.) AA does not count the Aegis equity, which amounts to $79.5 million in gross income and $530 million in billings. Carat handles media buying for many of Eurocom's agencies in Europe (outside France). Organization totals comprising the Eurocom ranking are a composite of Eurocom's equity in gross income and billings in each agency listed in the profile. Totals also include some non-media advertising businesses not listed. The breakout for each shop under Eurocom is by 100% of its billings.

Officers:
Alain de Pouzilhac, chmn-ceo; Jacques Herail, cfo; Patrick Bartement, adviser to presidency; Jean de Yturbe, ceo-Eurocom Advertising div.

Headquarters:
Eurocom Group
136, Avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine, France
Phone: 331-47-47-30-00
Fax: 331-47-47-81-81

Della Femina, McNamee

U.S.	1990	1989	% chg
Gross income	$94.2	$87.8	7.3
Volume	$782.0	$728.7	7.3
Employees	797	851	(6.3)
Offices	7	9	(22.2)

Billings by U.S. office city	Billings
Della Femina, McNamee, New York	396.1
Della Femina, McNamee, Los Angeles	197.6
Della Femina, McNamee, Chicago	28.2
Della Femina, McNamee, Pittsburgh	74.1
Lawner, Reingold, Britton, Boston	86.1

Officers:
Jerry Della Femina, chmn-ceo; Louise McNamee, pres-coo; James Durfee, vice chmn-dir corp creative svcs.

Headquarters:
Della Femina, McNamee
350 Hudson St.
New York, N.Y. 10014
Phone: 212-886-4100
Fax: 212-886-4415

RANK: 34

FCAB

Suresnes, France
Gross income: **$83.1** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$83.1	$68.4	21.6
Volume	$600.7	$493.1	21.8
Employees	990	905	9.4
Offices	38	34	11.8
U.S.	**1990**	**1989**	**% chg**
Gross income	$21.6	$21.4	0.9
Volume	$184.9	$177.6	4.1
Employees	240	255	(5.9)
Offices	2	2	0.0

Billings by European office city, equity	Billings
CID, Madrid(MN)	83.2
Concurrence, Paris(MJ)	25.5
FCA! Heslop Beguivin, Brussels(MJ)	12.0
FCA! Mavity, London(MJ)	81.4
FCA! Paris, Suresnes(MJ)	183.4
FCA!/Sabbatini Baldoni Panzeri, Milan(MJ)	54.0
IDM, Suresnes(MJ)	29.1
Logo FCA!, Stuttgart(MJ)	16.0
Logo FCA!, Duesseldorf(MJ)	14.5
MOCM, Suresnes(MJ)	10.2
Sources, Paris(MJ)	29.0
Teleobjectif, Boulogne(MN)	2.4
Utile, Suresnes(MJ)	21.9
VVH FCA!, Amsterdam(MJ)	25.6

Notes: Dollars are in millions. FCAB is a holding company that encompasses FCA! Group and Bloom Cos. under a single tier. Dallas-based Bloom was acquired in early 1991. Bloom figures, representing all of FCAB's U.S. returns, were folded into both years. Without Bloom, FCAB's gross income grew 30.9% from year to year. Advertising represents 80% of this holding company, the remainder of which comes from its various marketing services (PR, media buying, bartering, etc.) business in France.

Officers:
Philippe Calleux, pres-ceo; Jean Feldman, exec vp; Marc Bourgery, exec vp; Jean-Fred Koenig, exec vp.

Headquarters:
FCAB
26 Rue Salomon de Rothschild
Suresnes 92150, France
Phone: 331-42-04-25-75
Fax: 331-42-04-22-36

Bloom Cos.

U.S.	1990	1989	% chg
Gross income	$21.6	$21.4	0.9
Volume	$184.9	$177.6	4.1
Employees	240	255	(5.9)
Offices	2	2	0.0

Billings by U.S. office city	Billings
Bloom Cos., New York	62.1
Bloom Cos., Dallas	112.0

Officers:
Robert H. Bloom, chmn-ceo; Paul MacMahon, chmn-Dallas; Seth Werner, pres-creative dir, Dallas; Penny Hawkey, pres-creative dir, New York.

Headquarters:
Bloom Cos.
3500 Maple Ave.
Dallas, Texas 75219
Phone: 214-443-9900

RANK: 10

Foote, Cone & Belding Communications

Chicago/Paris
Gross income: **$536.2** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$536.2	$506.5	5.9
Volume	$3,554.8	$3,371.8	5.4
Employees	8,484	7,002	21.2
Offices	154	121	27.3
U.S.	**1990**	**1989**	**% chg**
Gross income	$292.4	$280.5	4.2
Volume	$1,950.3	$1,871.2	4.2

Foote, Cone & Belding Communications

Worldwide	1990	1989	% chg
Gross income	$531.4	$500.2	6.2
Volume	$3,522.8	$3,330.1	5.8
Employees	6,522	6,945	(6.1)
Offices	152	119	27.7
U.S.	**1990**	**1989**	**% chg**
Gross income	$262.7	$251.2	4.6
Volume	$1,753.2	$1,677.6	4.5
Employees	2,784	NA	NA

Billings by U.S. office city	Billings
Foote, Cone & Belding, Chicago	492.6
FCB/Leber Katz Partners, New York	434.3
FCB/Lewis, Gilman & Kynett, Philadelphia	91.6
Foote, Cone & Belding, Los Angeles	324.1
Foote, Cone & Belding, San Francisco	340.3
Wahlstrom & Co., Stamford, Conn.	70.5

Billings by Asian office city, equity	Billings
AP-Foote, Cone & Belding, Kuala Lumpur(MN)	13.8
Basic/Foote, Cone & Belding, Manila(MN)	22.4
FCB Shorter, Perth(MN)	5.5
Foote, Cone & Belding, Wellington(MN)	53.8
Foote, Cone & Belding, Sydney(MJ)	96.8
Foote, Cone & Belding, Hong Kong(MJ)	12.5
Prakit & FCB, Bangkok(MN)	25.6
P.T. Forum Cahaya Buana, Jakarta(MJ)	6.7

Billings by European office city, equity	Billings
Euro Meridian Communications, Brussels(MJ)	5.0

Billings by Latin American office city, equity	Billings
FCB/Artefilme, Guayaquil(MJ)	4.0
FCB/Artefilme, San Pedro Sula(MJ)	1.1
FCB/Puma, Bogota(MJ)	10.2
FCB/Siboney, San Salvador(MJ)	2.3
FCB/Siboney, San Jose(MJ)	3.6
FCB/Siboney Publicidade, Sao Paulo(MJ)	37.6
FCB/Siboney/Blance Uribe, Caracas(MJ)	15.2
Foote, Cone & Belding, Isla Verde(MJ)	26.5
Foote, Cone & Belding, Santo Domingo(MJ)	0.3
Foote, Cone & Belding, Guatemala City(MJ)	2.7
Foote, Cone & Belding, Mexico City(MJ)	15.7
Hernandez/FCB, Port of Spain(MN)	3.3
Linde, Foote, Cone & Belding, Kingston(MN)	3.6
Pragma/FCB Publicidad, Buenos Aires(MN)	15.2

Billings by other offices city, equity	Billings
FCB/Ronalds-Reynolds, Toronto(MJ)	124.0

Notes: Dollars in millions. Agency's composition includes Foote, Cone & Belding Communications, Chicago, and 49% of Publicis-FCB Communications B.V., Paris, another World's Top 50 adver-

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tising organization. (See profile on Page S-45.) The Chicago operation is a consolidation of FCB's U.S., South American, Australasian and Asian units. Publicis-FCB Communications B.V., formed in 1989, is an alliance between FCB and Publicis Communications, the advertising side of Paris-based Publicis S.A., a holding company. FCB essentially folded its European shops into the venture, taking 49% of the equity and Publicis 51%. Most Publicis and FCB offices in the same markets have since merged into a single office. A few have remained separate "to provide distinction and to avoid client conflicts," according to officials at B.V. This is the case in France, Portugal and the UK. FCB totals are a composite of its equity in gross income and billings in each agency listed in the profile. The breakout shown for each shop is by 100% of its billings. Billings by U.S. office are AA estimates.

Officers:
Norman W. Brown, chmn-ceo; Stanley H. Katz, vice chmn

Headquarters:
Foote, Cone & Belding Communications
101 E. Erie St.
Chicago, Ill. 60611-2897
Phone: 312-751-7000
Fax: 312-751-3501

Albert Frank-Guenther Law

U.S.	1990	1989	% chg
Gross income	$4.8	$6.3	(23.3)
Volume	$32.0	$41.7	(23.3)
Employees	54	57	(5.3)
Offices	2	2	0.0

Billings by U.S. office city	Billings
Albert Frank-Guenther Law, San Francisco	2.2
Albert Frank-Guenther Law, New York	29.8

Officers:
Paul Lucy, chmn-ceo; Walter Guarino, pres

Headquarters:
Albert Frank-Guenther Law
71 Broadway
New York, N.Y. 10006
Phone: 212-248-5200
Fax: 212-809-2359

IMPACT

U.S.	1990	1989	% chg
Gross income	$10.6	$10.0	6.0
Volume	$69.7	$65.1	7.1
Employees	115	115	0.0
Offices	4	4	0.0

Vicom/FCB

U.S.	1990	1989	% chg
Gross income	$14.3	$13.1	9.2
Volume	$95.4	$86.7	10.0
Employees	127	121	5.0
Offices	3	3	0.0

Billings by U.S. office city	Billings
Vicom/FCB, San Francisco	48.4
Vicom/FCB, New York	32.4
Vicom/FCB, Philadelphia	14.7

Officers:
D. John Loden, pres-ceo

Headquarters:
Vicom/FCB
One Lombard St.
San Francisco, Calif. 94111
Phone: 415-391-8700
Fax: 415-391-1042

RANK: 35

GGK International

Zurich
Gross income: **$79.3** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$79.3	$71.3	11.2
Volume	$556.7	$487.5	14.2
Employees	697	684	1.9
Offices	19	18	5.6
U.S.	**1990**	**1989**	**% chg**
Gross income	$24.0	$20.5	16.5
Volume	$179.2	$143.8	24.6

Billings by European office city, equity	Billings
GGK Amsterdam, Amsterdam(MJ)	29.6
GGK Basel, Basel-Geneva-Zurich-Kusnacht(MJ)	122.0
GGK Budapest, Budapest(NE)	3.5
GGK Communications, Duesseldorf-Frankfurt(MJ)	46.7
GGK London, London(MJ)	86.2
GGK Milan, Milan(MJ)	16.6
GGK Paris, Paris(MJ)	17.5
GGK Spain, Barcelona-Madrid(MJ)	23.6
GGK Vienna/Salzburg, Vienna/Salzburg(JV)	70.8
Mirror/GGK Brussels, Brussels(NE)	11.9

Notes: Dollars are in millions. GGK International is a holding company with a single agency network that covers Europe and the U.S., the latter through Lois/GGK shops in New York and Chicago. GGK generally holds 100% of its individual shops, although its U.S. business is 80% owned. GGK organization totals comprising its ranking are a composite of the parent's equity in gross income and billings in each agency listed in the profile. The breakout in boldface for each shop is by 100% of its billings.

Officers:
Bo Seifert, pres-ceo; Lutz Gruettke, sr vp; Aloys Hirzel, chmn; Peter Keller, finance dir-sr vp

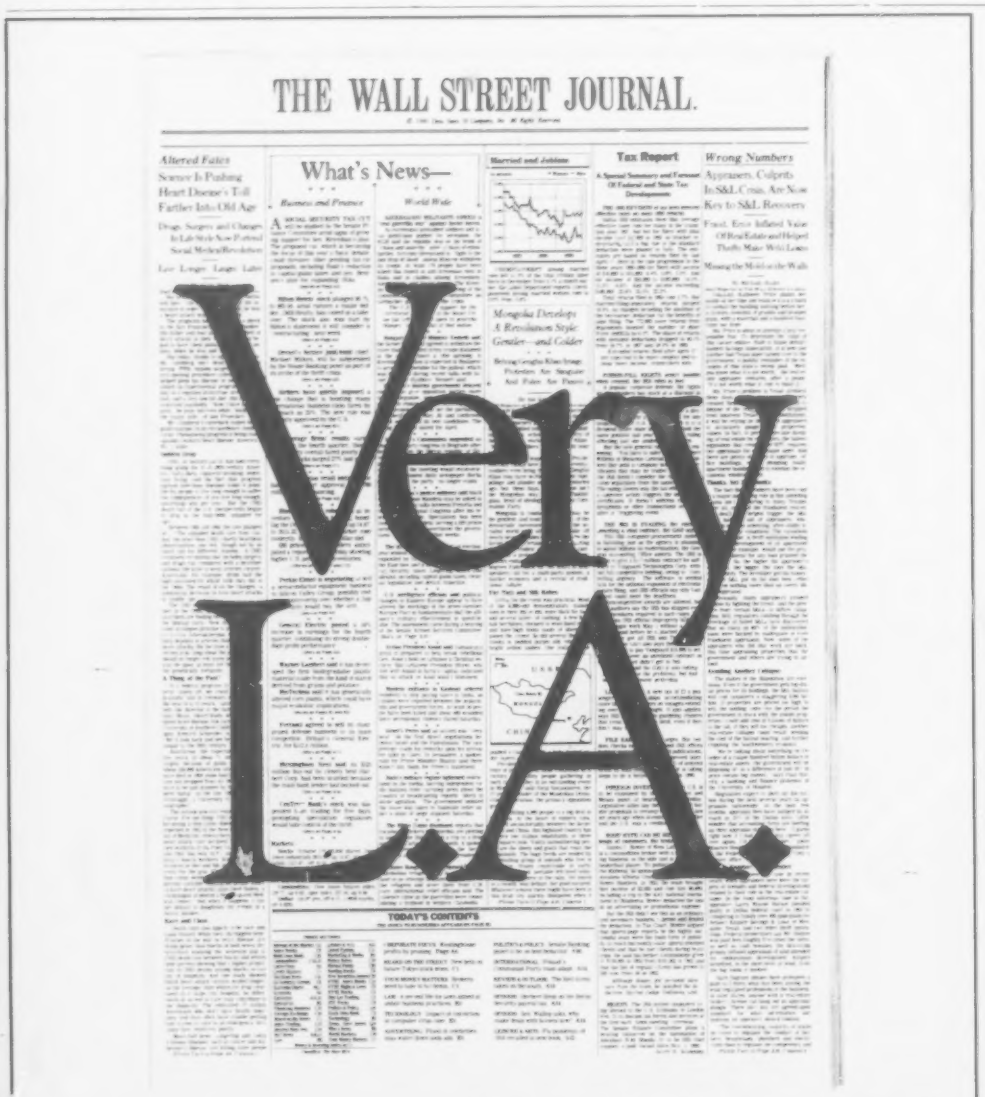
Headquarters:
GGK International
Seestrasse 513
Zurich CH-8038, Switzerland
Phone: 411-466-5277
Fax: 411-466-5260

Lois/GGK Chicago

U.S.	1990	1989	% chg
Gross income	$13.1	$11.4	14.7
Volume	$87.?	$80.0	8.9
Employees	108	105	2.9
Offices	1	1	0.0

Officers:
Edwin H. Holzer, chmn, pres-ceo; Nathan Pinsof, cfo

Headquarters:
Lois/GGK Chicago
2300 Merchandise Mart
Chicago, Ill. 60654
Phone: 312-527-5030
Fax: 312-527-5059



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Source: WSJ 1990 Worldwide Subscriber Study
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Foreign agencies (continued)

Agency, city, equity	Gross income	% chg	1990 Billings
Indonesia	**Exchange rates: 0.000550 0.000570 rupiah -3.5%**		
Adforce-JWT, Jakarta **NE**	2,653	67.9	17,693
PT Indo Ad, Jakarta **NE**	2,534	32.9	17,473
PT Bates Mulia Indonesia, Jakarta **NE**	1,308	26.7	9,024
PT Inter Admark, Jakarta **NA**	1,275	(15.8)	8,500
PT Forum Cahaya Buana, Jakarta **MJ**	999	99.5	6,666
Binamark Indonesia, Jakarta **NE**	825	NA	5,500
Mega Dasa Pariwara Alliance, Jakarta **NE**	746	NA	4,976
Perwanal/DMB&B, Jakarta **MN**	521	32.5	2,545
JC & K Advertising, Jakarta **NA**	506	46.0	3,372
Cipta/Saatchi & Saatchi, Jakarta **MN**	323	(81.9)	2,150
Pratama Advertising, Jakarta **NE**	322	(21.6)	2,145

Notes: Non-equity affiliations—Lintas Indonesia, Matari with Bozell; Adforce-J. Walter Thompson Co.; PT Indo Ad with Ogilvy & Mather; PT Bates Mulia Indonesia, Binamark Indonesia with Grey; Mega Dasa Pariwara Alliance and Pratama with Bozell. PT Forum Cahaya Buana majority-owned by Publicis FCB.

Ireland	**Exchange rates: 1.640500 1.418740 pound 15.6%**		
Wilson Hartnell Group, Dublin **MJ**	8,245	27.9	56,863
Peter Owens Ltd., Dublin **NA**	4,736	29.8	31,596
Saatchi & Saatchi Advertising, Dublin **MJ**	4,679	8.2	23,062
Arks Alliance, Dublin **MJ**	3,708	21.1	24,690
CDP Associates, Dublin **NE**	2,700	170.0	16,000
BSB Hunter, Dublin **MJ**	2,488	4.1	12,274
Young Advertising, Dublin **MJ**	1,887	15.6	12,599
DMB&B, Dublin **MN**	706	584.3	4,716

Notes: Wilson Hartnell Group majority-owned by Ogilvy & Mather; Young Advertising affiliated with the Alliance Group.

Israel	**Exchange rates: 0.507700 0.547770 shekel -7.3%**		
Ariely Communication Group, Tel Aviv **NA**	5,960	7.6	29,629
Kesher Barel & Associates, Tel-Aviv **NA**	4,138	12.2	27,593
Gitam Image Promotion Systems, Ramat-Gan **NA**	3,579	3.7	23,862
Tamir Cohen, Tel Aviv **NA**	3,270	11.8	21,800
Pelled Advertising, Tel Aviv **NA**	914	(49.4)	6,600

Notes: Gross income for both years for Tamir Cohen and Gitam Image Promotion Systems AA estimates.

Italy	**Exchange rates: 0.000630 0.000730 lira 13.7%**		
Gruppo Armando Testa, Turin/Milan/Rome **NA**	61,928	23.7	463,970
Young & Rubicam Italia, Milan **MJ**	56,022	18.9	459,430
Publicis FCB, Milan **MJ**	54,631	0.1	388,255
McCann-Erickson Italiana, Milan **MJ**	46,786	20..	312,063
J. Walter Thompson Italiana, Milan **MJ**	34,642	20.1	309,374
Saatchi & Saatchi Advertising, Milan/Rome **MJ**	31,042	28.4	285,520
Milano & Grey, Milan **MJ**	27,224	34.4	203,350
DMB&B, Milan **MJ**	26,143	23.4	168,549
Lintas:Milano, Milan **MJ**	23,679	26.6	157,939
TBWA, Milan/Rome/Padua **MJ**	23,106	22.9	154,038
Livraghi, Ogilvy & Mather, Milan **MN**	20,100	24.1	136,622
Pirella Goettsche Lowe, Milan **MJ**	20,086	13.7	165,170
Canard, Turin/Milan **JV**	17,800	11.3	175,000
Leo Burnett Co., Milan **MJ**	14,940	32.5	99,600
B Communications Group, Milan **NA**	11,623	30.0	77,488
Eurocom Italy, Milan **MJ**	10,872	16.6	99,600
P&T Co., Milan **NA**	10,375	1.5	78,020
Barbella Gagliardi Saffirio, Turin **MJ**	10,275	61.8	79,722
Verba DDB Needham/Italy, Milan **MJ**	10,143	38.3	67,651
Bozell Testa Pella Rossetti, Milan **MJ**	9,296	20.1	77,605
BSB Italia, Milan **MJ**	9,022	(2.9)	74,476
RSCG Mezzano Costantini Mignani, Milan **MJ**	8,600	4.8	112,050
FCA!/Sabbatini Baldoni Panzeri, Milan **MJ**	8,088	53.9	53,950
ATA Tonic, Milan **MJ**	7,802	(1.0)	64,740
Longari & Loman/BDDP, Bologna **MJ**	7,596	15.6	50,667
Publinter Ayer, Milan **MJ**	6,014	(22.5)	54,095
Pubblimarket-Idea2 Alliance, Milan **MN**	5,810	3.6	38,761
Medicus Intercon, Rome/Milan **MJ**	4,540	34.9	24,462
Conquest Europe Italy, Milan **MJ**	3,680	25.0	41,797
Associati Globe, Milan **MN**	3,370	11.0	16,600
Equipe, Milan **MJ**	2,490	21.8	13,695
GGK Milan, Milan **MJ**	2,324	(30.8)	16,600
BGS Rome, Rome **MJ**	2,234	1.8	13,444
Azzurra, Milan **MJ**	1,901	21.8	15,289
STZ, Milan **NA**	1,511	10.7	10,076
A42, Milan **MJ**	1,439	56.5	NA
Adver Pubblicita e Marketing, Padua **NA**	1,239	34.2	10,067
Kobs & Draft Italia, Milan **MJ**	120	NA	800

Notes: Lintas Milano includes Centro Media and CBC Spring; McCann-Erickson Italiana includes Italy and Italy MPL; Pirella Goettsche Lowe and B Communications gross income figures for both years AA estimates; Associati Globe part of Crossworld network; Pubblimarket-Idea2 Alliance 1990 gross income and billings figures agency estim[illegible]pe; A42, ATA Tonic, Azzurra and Barbella Gagliardi Saffirio part of Eurocom; Young & R[illegible]sides Wunderman, Cato Johnson, Sudler & Hennessey and Burson-Marsteller; Canard 50% [illegible]ondon-based Collett Dickenson Pearce.

Ivory Coast	**Exchange rates: 0.003996 0.003190 Cntrl Afrcn franc 25.3%**		
Lintas:Abidjan, Abidjan **MJ**	1,203	(22.4)	8,023
Jamaica	**Exchange rates: 0.12820 0.181820 Jamaican dollar -29.5%**		
McCann-Erickson Jamaica, Kingston **MJ**	1,114	(12.3)	7,430
CGR Communications, Kingston **NE**	667	(31.8)	3,026
Lindo, Foote,Cone & Belding, Kingston **MN**	545	(15.3)	3,638

Notes: CGR Communications affiliated with Saatchi & Saatchi Advertising.

Japan	**Exchange rates: 0.006920 0.007450 yen -7.1%**		
Dentsu Inc., Tokyo **NA**	1,142,492	(0.6)	8,905,234
Hakuhodo Inc., Tokyo **MJ**	495,505	(2.6)	3,921,191
Tokyu Agency, Tokyo **NA**	159,596	2.2	1,315,852
Daiko Advertising, Osaka **NA**	159,471	4.9	1,246,936

Gross income and billings are U.S.$ in thousands.

Lois/GGK New York

U.S.	1990	1989	% chg
Gross income	$16.9	$26.3	(35.6)
Volume	$136.8	$187.7	(27.1)
Employees	94	95	(1.1)
Offices	1	1	0.0

Officers:
George Lois, chmn-ceo, creative dir; Ted Veru, pres-coo.

Headquarters:
Lois/GGK New York
40 West 57th St., 6th Fl.
New York, N.Y. 10019
Phone: 212-373-4700
Fax: 212-586-9472

RANK: 31

GGT PLC
London
Gross income: **$95.0** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$95.0	$87.3	8.8
Volume	$692.6	$620.8	11.6
Employees	533	579	(7.9)
Offices	6	6	0.0

U.S.	1990	1989	% chg
Gross income	$39.3	$40.2	(2.2)
Volume	$307.0	$304.8	0.7
Employees	411	429	(4.2)
Offices	5	5	0.0

Billings by European office city, equity	Billings
Gold Greenlees Trott, London(NA)	$181.3

Notes: Dollars are in millions. GGT PLC is a holding company and acronym for Gold Greenlees Trott Advertising, the London-based core agency that spawned the holding company. The breakout for each shop is by 100% of its billings.

Officers:
Michael Gold, Michael Greenlees, joint chmn.

Headquarters:
Gold Greenlees Trott
82 Dean St.
London W1V 5AB, England
Phone: 4471-437-0434
Fax: 4471-494-0118

GSD&M

U.S.	1990	1989	% chg
Gross income	$20.0	$20.2	(1.3)
Volume	$149	$150.8	(1.2)
Employees	210	234	(10.3)
Offices	1	1	0.0

Officers:
Steve Gurasich, chmn-ceo.

Headquarters:
GSD&M
1250 Capital of Texas Hwy. So./Ste 400
Austin, Texas 78746
Phone: 512-327-8810
Fax: 512-327-1775

Babbit & Reiman Advertising

U.S.	1990	1989	% chg
Gross income	$6.1	$7.6	(19.7)
Volume	$50.4	$53.9	(6.5)
Employees	57	62	(8.1)
Offices	2	2	0.0

Billings by U.S. office city	Billings
Babbit & Reiman, New York	1.2
Babbit & Reiman, Atlanta	49.2

Officers:
Joel Babbit, pres; Joey Reiman, chmn.

Headquarters:
Babbit & Reiman Advertising
3060 Peachtree Rd., N.W. Penthouse
Atlanta, Ga. 30305
Phone: 404-365-0550

Martin-Williams

U.S.	1990	1989	% chg
Gross income	$13.3	$12.1	9.9
Volume	$108.0	$100.0	8.0
Employees	144	133	8.3
Offices	2	2	0.0

Billings by U.S. office city	Billings
Martin-Williams, St. Louis	2.6
Martin-Williams, Minneapolis	105.4

Officers:
David D. Floren, chmn-ceo; Tom F. Weyl, pres-coo.

Headquarters:
Martin-Williams
10 S. Fifth St.
Minneapolis, Minn. 55402
Phone: 612-340-0800

RANK: 9

Grey Advertising
New York
Gross income: **$583.3** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$583.3	$489.9	19.1
Volume	$3,910.4	$3,267.4	19.7
Employees	6,612	6,358	4.0
Offices	223	210	6.2

U.S.	1990	1989	% chg
Gross income	$256.3	$240.7	6.5
Volume	$1,710.0	$1,605.3	6.5
Employees	2,402	2,062	16.5
Offices	3	3	0.0

Billings by U.S. office city	Billings
Grey Advertising, Los Angeles	182.2
Grey Advertising, New York	1,469.5
Grey Advertising, San Francisco	58.3

Billings by other offices city, equity	Billings
Grey Holdings, Johannesburg(MN)	91.0

Billings by Asian office city, equity	Billings
Aspac & Grey, Manila(MN)	5.3
Binamark Indonesia, Jakarta(NE)	5.5
Blazon Advertising, Karachi(NE)	2.7
Geoson Advertising, Seoul(NE)	68.4
Grey, Singapore(JV)	14.1
Grey Advertising (NZ), Auckland(MJ)	6.2
Grey Australia, Sydney(MJ)	44.7
Grey Malaysia, Kuala Lumpur(MN)	7.2
Grey Thailand, Bangkok(MN)	4.9
Grey-Daiko, Tokyo(MJ)	77.6
Hwa Wei & Grey, Taipei(MN)	36.5
People & Grey, [illegible] Kong(MJ)	32.9
Trikaya Grey, Bo[illegible]N)	13.2

Billings by European office city, equity	Billings
AS & Grey, Helsinki(MN)	128.9
Conajans Grey, Istanbul(MN)	51.2
Grey, Amsterdam(MJ)	90.2
Grey, Paris(MJ)	238.1

Billings by European office city, equity	Billings
Grey, Geneva/Zurich(MN)	36.6
Grey, Brussels(MJ)	57.6
Grey Austria, Vie[illegible]	42.0
Grey Communica[illegible], Stockholm(MJ)	123.3
Grey Communications Group, London(MJ)	625.0
Grey Communications Group, Copenhagen(MJ)	134.7
Grey Espana, Madrid/Barcelona(MJ)	66.7
Grey Gruppe Deutschland, Duesseldorf(MJ)	327.3
Grey Multireklam, Budapest(NE)	1.7
Jansen Grey, Oslo(MN)	13.8
Lamda Alpha Advertising, Athens(NE)	5.1
Milano & Grey, Milan(MJ)	203.4
Noevox Publicidade, Lisbon(NE)	8.5

Billings by Latin American office city, equity	Billings
Casares Grey, Buenos Aires(MJ)	14.2
Esfera Publicidad, Bogota(NE)	7.1
Fischer-Grey, Caracas(MJ)	15.6
Grey Chile, Santiago(MN)	9.0
Grey Mexico, Mexico City(MJ)	18.6
Grey Peru, Lima(MN)	21.0
Grey Uruguay, Montevideo(MN)	2.4
HPM Propaganda, Sao Paulo(NE)	179.8
Smith Oxley Jordan & Edgehill, St. Michaels(NE)	2.7
West Indies & Grey, San Juan(MJ)	44.2
Grey Canada, Toronto(MJ)	128.5

Notes: Dollars are in millions. Grey totals are a composite of its equity in gross income and billings in each agency listed. Grey's results do not include those of subsidiaries Levine, Huntley, Vick & Beaver or Gross Townsend Frank Hoffman. The breakout for each shop is by 100% of its billings.

Officers:
Edward H. Meyer, chmn-pres; Robert L. Berenson, exec vp-admin.

Headquarters:
Grey Advertising
777 Third Ave.
New York, N.Y. 10017
Phone: 212-546-2000
Fax: 212-546-1495

RANK: 8

Hakuhodo Inc.
Tokyo
Gross income: **$586.3** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$586.3	$585.5	0.1
Volume	$4,529.4	$4,449.2	1.8
Employees	3,842	3,657	5.1
Offices	16	16	0.0

U.S.	1990	1989	% chg
Gross income	$6.3	$5.8	7.9
Volume	$50.6	$38.2	32.4
Employees	76	97	(21.6)
Offices	3	3	0.0

Billings by U.S. office city	Billings
Hakuhodo Advertising America, New York	50.6

Billings by Asian office city, equity	Billings
Community Ad Hakuhodo, Tokyo(MJ)	107.0
Hakuhodo Bangkok, Bangkok(MN)	1.5
Hakuhodo Hong Kong, Hong Kong(MJ)	4.3
Hakuhodo Inc., Tokyo(MJ)	3,921.2
Hakuhodo Malaysia, Kuala Lumpur(MN)	5.4
Hakuhodo Singapore, Singapore(MJ)	11.3
Thai Hakuhodo, Bangkok(MN)	10.6
McCann-Erickson Hakuhodo, Tokyo(MN)	557.4

Billings by European office city, equity	Billings
Hakuhodo Deutschland, Duesseldorf(MJ)	31.0
Hakuhodo France, Boulogne(MJ)	6.1
Hakuhodo Nederland, Amsterdam(MJ)	29.4
Hakuhodo UK, London(MJ)	7.7

Notes: Dollars are in millions. Hakuhodo's slight year-to-year growth was affected by a 7.1% decline in the Japanese yen against the dollar. More than 90% of its billings are in Japanese yen. Hakuhodo picked up three new offices in 1990, including Hakuhodo France in Boulogne, Hakuhodo Photo Creative and Incentive Promotions, the latter two in Tokyo. Hakuhodo generally owns 50% or more of its agencies. Figures include

"LET'S PUT IT THIS WAY—
A LOT OF COMPANIES TOUT
THEIR PEOPLE. BUT BERRY
NETWORK REALLY IS
KIM REUSCHER. AND ALL
THAT THAT IMPLIES. THE
PERSONAL DEDICATION. THE
CONTINUITY OF EFFORT.
I DON'T CALL BERRY;
I CALL KIM."

Cathy Gaudio
Vice President
Marketing, Telecommunications
U-Haul

Berry NETWORK, INC. ALSO KNOWN AS Kim REUSCHER, INC.

AMERICA'S YELLOW PAGES CONNECTION

3100 Kettering Boulevard, Dayton, Ohio 45439 800-366-1264

equity portions of two joint ventures with agencies under the Interpublic Group of Cos. banner: McCann-Erickson Hakuhodo (49% owned by Hakuhodo) and Hakuhodo:Lintas Co., (50% owned). Hakuhodo organization totals comprising its ranking are a composite of the parent's equity in gross income and billings in each agency listed in the profile. Totals also include holdings in non-media advertising businesses not listed. The breakout for each shop listed is by 100% of its billings.

Officers:
Michitaka Kondo, chmn; Ritsuo Isobe, pres.

Headquarters:
Hakuhodo
3-22 Kanda-Nishikicho, Chiyoda-ku
Tokyo 101, Japan
Phone: 813-3233-6160
Fax: 813-3233-6166

RANK: 46

Hill, Holliday, Connors, Cosmopulos

Boston
Gross income: **$50.1** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$50.1	$51.6	(3.0)
Volume	$333.9	$344.0	(3.0)
Employees	486	523	(7.1)
Offices	6	5	20.0
U.S.	**1990**	**1989**	**% chg**
Gross income	$46.1	$43.9	4.9
Volume	$307.5	$293.1	4.9
Employees	441	408	8.1
Offices	3	3	0.0

Notes: Dollars are in millions. The breakout in boldface agate for each shop is by 100% of its billings.

Officers:
John M. Connors Jr., pres-ceo; George J. Hill III, chmn.

Headquarters:
Hill, Holliday, Connors, Cosmopulos
200 Clarendon St.
Boston, Mass. 02116
Phone: 617-437-1600
Fax: 617-572-3534

RANK: 3

Interpublic Group of Cos.

New York
Gross income: **$1,649.8** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$1,649.8	$1,493.7	10.4
Volume	$11,025.3	$9,984.6	10.4
Employees	18,118	15,443	17.3
Offices	NA	NA	
U.S.	**1990**	**1989**	**% chg**
Gross income	$537.3	$516.2	4.1
Volume	$3,543.3	$3,442.9	2.9
Employees	4,464	4,429	0.8
Offices	NA	NA	NA

Notes: Dollars are in millions. Interpublic Group of Cos. includes three agency networks: McCann-Erickson Worldwide, Lintas:Worldwide and Lowe Group, the latter coming under the IPG umbrella in 1990. Lowe includes a worldwide network of agencies anchored in the U.S. by Laurence, Charles, Free & Lawson and in the U.K. by Lowe Howard-Spink. Lowe also includes specialist services, graphic design, direct marketing, sponsorship and sales promotion units as well as communications subsidiaries. Lowe Bell Communications, a major U.K. public relations operation, is owned 24.5% by IPG. Interpublic totals are a composite of its equity in gross income and billings in each agency listed in the profile. Billings for each shop represent 100% of returns, but tabular data showing totals for McCann-Erickson Worldwide, Lintas:Worldwide and Lowe Group is on an equity basis. Billings by U.S. office for M-E and Lintas are AA estimates.

Officers:
Philip H. Geier Jr., chmn-ceo; Eugene P. Beard, exec vp-cfo.

Headquarters:
Interpublic Group of Cos.
1271 Ave. of the Americas
New York, N.Y. 10020
Phone: 212-399-8000
Fax: 212-399-8130

McCann-Erickson Worldwide

Worldwide	1990	1989	% chg
Gross income	$744.7	$668.9	11.3
Volume	$4,993.7	$4,496.2	11.1
Employees	8,727	9,028	(3.3)
Offices	160	149	7.4
U.S.	**1990**	**1989**	**% chg**
Gross income	$210.1	$209.1	0.5
Volume	$1,401.4	$1,394.8	0.5
Employees	1,709	1,767	(3.3)
Offices	11	10	10.0

Billings by U.S. office city	Billings
McCann Direct, New York	40.0
McCann Healthcare, Chicago	28.0
McCann SAS, Detroit	15.0
McCann-Erickson, Los Angeles	125.0
McCann-Erickson, New York	671.0
McCann-Erickson, Seattle	35.0
McCann-Erickson, Detroit	160.0
McCann-Erickson, San Francisco	137.0
McCann-Erickson, Atlanta	56.0
McCann-Erickson, Houston	80.0
Phillips-Ramsey, Phoenix	18.0
Phillips-Ramsey, San Diego	33.0

Billings by African offices city, equity	Billings
McCann-Erickson DeVilliers, Johannesburg(MJ)	35.8
McCann-Erickson Kenya, Nairobi(MJ)	6.6
McCann-Erickson Lorin, Casablanca(MJ)	0.0

Billings by Asian office city, equity	Billings
McCann-Erickson, Sydney(MJ)	126.2
McCann-Erickson, Hong Kong(MJ)	35.6

Foreign agencies (continued)

Agency, city, equity	Gross income	% chg	1990 Billings
Japan (continued)	**Exchange rates: 0.006920 0.007450 yen**		
Asatsu, Tokyo **NA**	116,860	2.6	916,497
Dai-Ichi Kikaku, Tokyo **MJ**	104,732	NA	746,067
I&S Corp., Tokyo **NA**	104,153	8.2	833,230
Yomiko Advertising, Tokyo **NA**	102,857	2.5	795,826
McCann-Erickson Japan, Tokyo **MJ**	93,648	0.8	624,632
Asahi Advertising, Tokyo **NA**	88,914	1.6	522,716
Man Nen Sha, Osaka **NA**	87,000	(5.4)	566,000
Nihon Keizaisha Advertising, Tokyo **NA**	62,500	11.0	366,300
Orikomi Advertising, Tokyo **NA**	57,491	13.1	440,012
Sogei, Tokyo **NA**	52,992	8.2	332,315
Chuo Senko Advertising, Tokyo **NA**	49,132	(2.9)	356,380
Kyodo Advertising, Tokyo **NA**	42,039	19.0	280,239
Nihon Keizai Advertising Co., Tokyo **NA**	42,000	12.9	279,700
Dentsu, Young & Rubicam Japan, Tokyo **JV**	37,807	(1.7)	281,959
Tokyu Agency International, Tokyo **MN**	32,891	(4.6)	262,773
J. Walter Thompson Japan, Tokyo **MJ**	32,825	7.1	218,943
Meitsu Inc., Tokyo **NA**	29,396	(6.0)	205,559
Sanko-Sha, Nagoya **NA**	27,525	(4.7)	183,500
Leo Burnett-Kyodo Co., Tokyo **MJ**	25,430	18.6	169,540
Nambokusha Inc., Tokyo **NA**	22,006	5.5	172,308
Standard Advertising, Tokyo **NA**	18,164	8.0	145,320
Ad Dentsu, Tokyo **MJ**	12,536	7.2	91,311
Grey-Daiko, Tokyo **MJ**	11,641	(1.3)	77,647
Community Ad Hakuhodo, Tokyo **MJ**	10,170	9.4	107,012
Hakuhodo:Lintas, Tokyo **JV**	10,103	(5.9)	67,388
Sanyu Agency, Tokyo **MJ**	8,739	15.5	58,262
Cove-Ito Advertising, Tokyo **NA**	7,660	14.2	28,372
BSB Japan, Tokyo **MN**	5,515	31.7	47,540
Tokyo Senko International, Tokyo **NA**	5,191	2.8	34,607
Medicus Intercon KK, Tokyo **MJ**	5,018	(9.7)	24,847
Saatchi & Saatchi Advertising, Tokyo **MJ**	4,551	(22.5)	30,342
Dentsu, Sudler & Hennessey, Tokyo **JV**	3,539	6.7	20,773
Bozell Meitsu, Tokyo **MN**	2,976	(17.8)	14,802
Ketchum Advertising/Japan, Tokyo **MJ**	2,716	(28.0)	18,103
Dai-Ichi Communications, Tokyo **MJ**	1,705	3.1	8,523
DDB Needham Japan, Tokyo **MN**	975	(30.2)	6,503

Notes: McCann-Erickson Japan, 49% owned by Hakuhodo, includes Cato Design and KK Standard McIntyre, a joint venture with Standard Advertising. Sanko-Sha gross income for both years AA estimates. Dentsu, Young & Rubicam Japan formerly HDM KK Japan. Medicus Intercon part of DMB&B. Figures for Dai-Ichi Kikaku's Tokyo office only.

Kenya	**Exchange rates: 0.044600 0.045250 shilling -1.4%**		
McCann-Erickson Kenya, Nairobi **MJ**	989	8.3	6,597
Ogilvy & Mather, Nairobi **MJ**	750	66.8	5,174
MCL, Nairobi **NE**	290	6.7	1,764
Notes: MCL affiliated with Saatchi & Saatchi Advertising.			
Lebanon	**Exchange rates: 0.013120 0.017340 Lebanese pound -24.3%**		
H&C Leo Burnett, Beirut **NE**	5	8.4	34
Malawi	**Exchange rates: 0.38871 0.354860 kwacha 9.5%**		
Graphic:Lintas Malawi, Blantyre **MN**	367	161.9	2,450
Malaysia	**Exchange rates: 0.369930 0.370850 ringgit -0.2%**		
Ogilvy & Mather, Kuala Lumpur **MJ**	4,595	19.5	31,689
McCann-Erickson Malaysia, Kuala Lumpur **MJ**	3,916	18.6	26,120
Dentsu, Young & Rubicam Malaysia, Kuala Lumpur **JV**	3,699	66.3	24,045
BSB Malaysia, Kuala Lumpur **MN**	3,548	30.4	21,202
AMC-Melewar Zecha, Kuala Lumpur **NA**	3,403	(14.2)	27,116
Leo Burnett Co., Kuala Lumpur **MN**	3,177	16.4	21,183
J. Walter Thompson Co., Kuala Lumpur **MJ**	2,562	8.1	17,017
Lintas:Malaysia, Kuala Lumpur **MJ**	2,295	22.7	15,308
AP-Foote, Cone & Belding, Kuala Lumpur **MN**	2,259	21.1	13,790
Wings BBDO, Petaling Jaya **MJ**	1,987	40.4	13,553
Bozell, Petaling Jaya **MN**	1,583	29.3	10,553
Bali Partnership, Kuala Lumpur **MJ**	1,511	53.1	10,077
NAGA DDB Needham DIK, Selangor **MN**	1,207	30.2	8,051
Hakuhodo Malaysia, Kuala Lumpur **MN**	1,088	85.0	5,372
Grey Malaysia, Kuala Lumpur **MN**	1,073	43.1	7,156
Adextra Alliance, Kuala Lumpur **NE**	555	NA	3,514
RA Advertising, Kuala Lumpur **NA**	534	11.7	4,640
Saatchi & Saatchi Advertising, Kuala Lumpur **MJ**	515	194.0	2,451
Notes: McCann-Erickson Malaysia includes Mutiara and Universal Communications. NAGA DDB Needham DIK is 20% owned by DDB Needham and 10% by Dai-Ichi Kikaku.			
Mexico	**Exchange rates: 0.000356 0.000420 peso -15.2%**		
McCann-Erickson, Mexico City **MJ**	12,715	56.1	84,813
Publicidad Ferrer y Asociados, Mexico City **NA**	9,459	17.9	63,062
J. Walter Thompson de Mexico, Mexico City **MJ**	7,525	34.1	50,193
Leo Burnett Co., Mexico City **MJ**	6,316	28.2	42,111
Bozell S.A., Mexico City **MN**	6,113	29.6	40,752
Young & Rubicam, Mexico City **MJ**	4,574	33.5	30,507
DMB&B/Noble, Mexico City **MJ**	3,984	2.0	26,576
Arellano/BSB de Mexico, Mexico City **MN**	3,338	20.4	22,250
Dieste/BBDO, Mexico City **MN**	3,297	111.8	23,587
Garcia Palla, Mexico City **NA**	2,848	21.1	21,360
Grey Mexico, Mexico City **MJ**	2,788	52.2	18,595
Foote, Cone & Belding de Mexico, Mexico City **MJ**	1,918	(1.9)	15,722
Panamericana Ogilvy & Mather, Mexico City **MJ**	1,730	(8.5)	11,932
Paulino Romero y Asociados, Mexico City **NA**	1,652	25.0	11,698
DDB Needham, Mexico City **MJ**	1,641	9.0	10,944
Montenegro/SSA, Mexico City **NE**	1,513	14.1	10,084
Lintas:Mexico, Mexico City **MJ**	1,179	(17.6)	7,864
Notes: Montenegro/SSA affiliated with Saatchi & Saatchi Advertising.			

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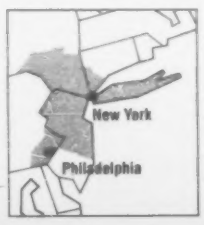

Source: WSJ 1988 Worldwide Subscriber Study.
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Billings by Asian office city, equity	Billings
McCann-Erickson, Seoul(MJ)	7.8
McCann-Erickson Japan, Tokyo(MJ)	624.6
McCann-Erickson Jardine China, Beijing(MJ)	5.2
McCann-Erickson Malaysia, Kuala Lumpur(MJ)	26.1
McCann-Erickson Philippines, Manila(MJ)	27.2
McCann-Erickson Singapore, Singapore(MJ)	27.2
McCann-Erickson Taiwan, Taipei(MJ)	38.2
McCann-Erickson Tara Sinha, New Delhi(MN)	4.0
McCann-Erickson Thailand, Bangkok(MJ)	21.4
McCann-Erickson Brown, Christensen, Auckland(MJ)	21.9

Billings by European office city, equity	Billings
Jadran-McCann-Erickson, Zagreb(MJ)	3.2
McCann-Erickson, Vienna(MJ)	34.5
McCann-Erickson, Copenhagen(MJ)	17.4
McCann-Erickson Belgium, Brussels(MJ)	131.9
McCann-Erickson Finland, Helsinki(MJ)	86.5
McCann-Erickson France, Paris(MJ)	294.5
McCann-Erickson Germany, Frankfurt(MJ)	369.0
McCann-Erickson Group, Madrid(MJ)	243.4
McCann-Erickson Hellas, Athens(MJ)	22.4
McCann-Erickson Interpress, Budapest(MJ)	3.4
McCann-Erickson Italiana, Milan(MJ)	312.1
McCann-Erickson Nederland, Amsterdam(MJ)	84.1
McCann-Erickson Norway, Oslo(MJ)	27.9
McCann-Erickson Pars, Istanbul(MJ)	30.8
McCann-Erickson Sweden, Stockholm(MJ)	50.9
McCann-Erickson Switzerland, Zurich(MJ)	80.1
McCann-Erickson UK, London(MJ)	436.8
McCann-Erickson/Hora, Lisbon(MJ)	87.6
Novosti-McCann, Moscow(MJ)	0.0

Billings by Latin American office city, equity	Billings
ABC-McCann Publicidad, Caracas(MJ)	24.9
McCann-Erickson, Mexico City(MJ)	84.8
McCann-Erickson, Buenos Aires(MJ)	24.3
McCann-Erickson, Guayaquil(MJ)	9.9
McCann-Erickson, San Juan(MJ)	23.8
McCann-Erickson Brazil, Sao Paulo(MJ)	176.5
M-E Centroamericana, Tegucigalpa(MJ)	2.7
McCann-Erickson Centroamericana, San Jose(MJ)	7.4
M-E Centroamericana, San Salvador(MJ)	6.3
McCann-Erickson Chile, Santiago(MJ)	24.3
McCann-Erickson Colombia, Bogota(MJ)	22.8
McCann-Erickson de Panama, Panama City(MJ)	4.4
McCann-Erickson Dominicana, Santo Domingo(MJ)	0.5
McCann-Erickson Jamaica, Kingston(MJ)	7.4
McCann-Erickson Paraguay, Asuncion(MJ)	0.4
McCann-Erickson Peru, Lima(MJ)	20.2
McCann-Erickson Trinidad, Port of Spain(MJ)	14.5
McCann-Erickson Uruguay, Montevideo(MJ)	4.3
Publicidad McCann-Erickson, Guatemala City(MJ)	6.7

Billings by other offices city, equity	Billings
Harrod & Mirlin, Toronto(MJ)	30.2
McCann-Erickson Canada, Toronto(MJ)	195.8

Officers:
Robert L. James, chmn-pres; John F. Bergin, vice chmn; Marcio M. Moreira, vice chmn-cco, intl; Eugene H. Kummel, chmn emeritus.

Headquarters:
McCann-Erickson Worldwide
750 Third Ave.
New York, N.Y. 10017
Phone: 212-697-6000
Fax: 212-984-2629

■ Lintas:Worldwide

Worldwide	1990	1989	% chg
Gross income	$626.6	$565.5	10.8
Volume	$4,177.4	$3,759.3	11.1
Employees	7,286	6,230	17.0
Offices	150	135	11.1
U.S.	**1990**	**1989**	**% chg**
Gross income	$203.1	$200.6	1.2
Volume	$1,354.6	$1,338.0	1.2
Employees	1,612	1,530	5.4
Offices	7	7	0.0

Billings by U.S. office city	Billings
Lintas: Campbell-Ewald, Warren, Mich.	460.5
Lintas: Marketing Communications, New York	113.0
Lintas: New York, New York	577.7
Lintas: Promotion & Marketing, Warren, Mich.	150.9
Lintas: USA, Miami	20.0
Lintas: USA, Los Angeles	29.3
Lintas: USA, Chicago	3.2

Billings by other offices city, equity	Billings
Graphic:Lintas Malawi, Blantyre(MN)	2.5
Lintas: Abidjan, Abidjan(MJ)	8.0
Lintas: Cameroon, Douala(MN)	2.0
Lintas: Namibia, Klein Windhoek(MJ)	1.7
Lintas: South Africa, Johannesburg(MJ)	46.3
Lintas: Zimbabwe, Harare(MJ)	7.2
MacLaren:Lintas, Toronto(MJ)	187.1

Billings by Asian office city, equity	Billings
Hakuhodo:Lintas, Tokyo(JV)	67.4
Lintas: Australia, Sydney(MJ)	111.7
Lintas: Hong Kong, Hong Kong(MJ)	18.1
Lintas: India, Bombay(MN)	58.0
Lintas: Indonesia, Jakarta(NE)	29.9
Lintas: Malaysia, Kuala Lumpur(MJ)	15.3
Lintas: Manila, Manila(MN)	12.5
Lintas: New Zealand, Auckland(MJ)	17.7
Lintas: Sambee, Seoul(MJ)	7.1
Lintas: Singapore, Singapore(MJ)	11.3
Lintas: Taiwan, Taipei(MJ)	18.6
Lintas: Thailand, Bangkok(MJ)	62.5
R:Lintas, Karachi(NE)	8.0

Billings by European office city, equity	Billings
A/S Myres/Lintas, Oslo(MN)	37.3
Grafika:Lintas, Istanbul(MN)	18.2
Lintas Oy, Helsinki(MJ)	45.7
Lintas/GR:Denmark, Copenhagen(MJ)	8.5
Lintas: Athens, Athens(MJ)	33.1
Lintas: Austria, Vienna/Salzburg(MJ)	60.6
Lintas: Belgium, Brussels(MJ)	73.9
Lintas: Deutschland, Hamburg(MJ)	469.5
Lintas: France Group, Paris(MJ)	363.2
Lintas: Milano, Milan(MJ)	157.9
Lintas: Netherlands, Amsterdam(MJ)	150.9
Lintas: Portugal, Lisbon(MJ)	39.3
Lintas: Spain, Madrid(MJ)	204.2
Lintas: Stockholm, Stockholm(MJ)	36.0
Lintas: Zurich, Zurich(MJ)	45.5
SPCTD:Lintas, London(MJ)	207.4

Billings by Latin American office city, equity	Billings
Cotonnose:Lintas, Buenos Aires(MJ)	17.1
Franklin Whalte & Asociados, Caracas(NE)	10.7
Lintas:Brasil Comunicacoes, Sao Paulo(MJ)	131.9
Lintas:Chile, Santiago(MJ)	12.8
Lintas:Colombia, Bogota(MJ)	3.4
Lintas:Mexico, Mexico City(MJ)	7.9

Officers:
William V. Weithas, chmn-ceo; Kenneth L. Robbins, deputy chmn worldwide, chmn-ceo Lintas:International; Spencer Plavoukos, ceo Americas, chmn-ceo Lintas:New York; Frank DeVito, chief creative dir-Lintas:Americas, pres-dir creative svcs.

Headquarters:
Lintas:Worldwide
1 Dag Hammarskjold Plaza
New York, N.Y. 10017
Phone: 212-605-8000
Fax: 212-605-8567

■ Lowe Group

Worldwide	1990	1989	% chg
Gross income	$245.8	$236.1	4.1
Volume	$1,683.2	$1,019.1	6.9
Employees	1,925	NA	NA
Offices	NA	NA	NA
U.S.	**1990**	**1989**	**% chg**
Gross income	$91.4	$83.2	9.9
Volume	$609.0	$554.9	9.7
Employees	635	685	(7.3)
Offices	2	2	0.0

Billings by European office city, equity	Billings
Allen Brady & Marsh, London(MJ)	108.6
Campbell-Ewald, Vienna(MJ)	0.2
Lowe Howard-Spink, London(MJ)	367.7
Lowe Kuiper & Schouten, Amsterdam(MJ)	37.5
Lowe Luerzer, Frankfurt/Duesseldorf(MJ)	133.3

Billings by European office city, equity	Billings
Lowe Quadrillage et Associes, Paris(MN)	28.2
Lowe Troost, Brussels(MJ)	68.5
Lowe & Partners Iberia, Barcelona/Madrid(MJ)	79.9
Pirella Goetzsche Lowe, Milan(MJ)	165.2

Billings by other offices city, equity	Billings
Deacon Day Massey Advertising, Toronto(JV)	34.3

Officers:
Frank Lowe, chmn-Lowe Group and Lowe International; Julian Seymour, corp affairs dir-Lowe Group; Les Delano, exec dir-Lowe Group; Lucinda Holmes, pres-Lowe International; Richard Ridley, finance dir-Lowe Group.

Headquarters:
Lowe Group
Bowater House
68-114 Knightsbridge
London SW1X7LT
Phone: 4471-584-5033
Fax: 4471-581-5742

■ Laurence, Charles, Free & Lawson

U.S.	1990	1989	% chg
Gross income	$35.7	$34.6	3.1
Volume	$284.0	$275.2	3.2
Employees	317	322	(1.6)
Offices	5	5	0.0

Officers:
Charles Goldschmidt, chmn-exec comm; Thomas E. Lawson, pres; Laurence D. Dunst, chmn.

Headquarters:
Laurence, Charles, Free & Lawson
260 Madison Ave.
New York, N.Y. 10016
Phone: 212-213-4646
Fax: 212-213-6710

■ Lowe & Partners

U.S.	1990	1989	% chg
Gross income	$48.8	$44.6	9.3
Volume	$325.0	$297.3	9.3
Employees	318	363	(12.4)
Offices	3	4	(25.0)

Officers:
Andrew J. Langer, ceo-New York; Richard Villante, pres.

Headquarters:
Lowe & Partners
1345 Ave. of the Americas
New York, N.Y. 10105
Phone: 212-708-8800
Fax: 212-708-8811

■ Fahlgren Martin

U.S.	1990	1989	% chg
Gross income	$23.2	$23.6	(1.8)
Volume	$154.7	$157.5	(1.8)
Employees	329	340	(3.2)
Offices	11	10	10.0

Billings by U.S. office city	Billings
Fahlgren Martin, Atlanta	82.3
Fahlgren Martin, Parkersburg, W. Va.	72.4

Officers:
H. Smoot Fahlgren, chmn-ceo; William J. Farson, treas-cfo; James W. Swearingen, vice chmn-coo.

Headquarters:
Fahlgren Martin
Rosemar Rd. at Seminary Dr.,
P.O. Box 1628
Parkersburg, W.Va. 26102
Phone: 304-424-3591
Fax: 304-424-3515

■ Dailey & Associates

U.S.	1990	1989	% chg
Gross income	$23.7	$23.3	2.0
Volume	$178.3	$155.2	14.9
Employees	200	196	2.0
Offices	1	1	0.0

Officers:
Phil[illegible]ou, chmn-ceo; Clifford Einstein, pres-creative dir; Brian Morris, exec vp-dir client svcs; Gene Alejo, sr vp-finance & admin; Marc Feidelson, sr vp-media dir; John Reinlung, sr vp-dir mktg & rsch.

Headquarters:
Dailey & Associates
3055 Wilshire Blvd.
Los Angeles, Calif. 90010
Phone: 213-386-7823
Fax: 213-380-6655

"A WHOLE AGENCY CAN'T PERSONALLY KNOW OUR MARKETS. BUT ONE PERSON CAN. WITH CUSTOMIZED MARKETING AT THE LOCAL LEVEL, BERRY'S ANGIE MACK PUTS OUR AGENTS IN THE RIGHT DIRECTORIES AT THE RIGHT TIME WITH THE RIGHT MESSAGE. TO ME, ANGIE IS BERRY NETWORK."

Becky Waibel
Advertising and Promotion Manager
United Van Lines

Berry NETWORK, INC. ALSO KNOWN AS Angie MACK, INC.

AMERICA'S YELLOW PAGES CONNECTION

3100 Kettering Boulevard, Dayton, Ohio 45439 800-366-1264

RANK: 29

I&S Corp.

Tokyo
Gross income: **$104.2** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$104.2	$96.3	8.2
Volume	$833.2	$770.2	8.2
Employees	830	850	(2.4)
Offices	12	12	0.0

Notes: Dollars are in millions.
Officers:
Masato Suzuki, pres-ceo.
Headquarters:
I&S Corp.
5-3 Nihonbashi-Muromachi
1-chome, Chuo-ku
Tokyo 103, Japan
Phone: 813-3246-8697
Fax: 813-3246-8792

RANK: 23

Ketchum Communications

Pittsburgh
Gross income: **$134.2** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$134.2	$117.8	14.0
Volume	$1,030.4	$915.7	12.5
Employees	1,480	1,279	15.7
Offices	26	20	30.0

U.S.	1990	1989	% chg
Gross income	$121.3	$112.9	7.4
Volume	$944.0	$854.9	10.4
Employees	1,226	1,229	(0.2)
Offices	14	13	7.7

Billings by U.S. office city	Billings
Ketchum Advertising, San Francisco	229.6
Ketchum Advertising, Philadelphia	68.0
Ketchum Advertising, Atlanta	11.5
Ketchum/Mandabach & Simms, Chicago	56.3
Ketchum Advertising, Los Angeles	181.0
Ketchum Advertising, Washington	28.9
Ketchum Directory Advertising, Louisville	12.8
Ketchum Advertising, Pittsburgh	105.6
Ketchum Advertising, New York	250.3

Billings by Asian office city, equity	Billings
Far East Ketchum, Wanchai(MN)	7.8
Ketchum Advertising/Japan, Tokyo(MJ)	18.1
Ketchum Advertising/Singapore, Singapore(MJ)	8.7

Billings by European office city, equity	Billings
Brunning, London(MN)	149.0
CIA/Ketchum, Paris(MN)	17.3
Durana Ketchum, Frankfurt(MJ)	9.3

Billings by other offices city, equity	Billings
Stringer, Veroni/Ketchum, Toronto(MN)	0.3

Notes: Dollars are in millions. Ketchum organization totals comprising its ranking are a composite of its equity in gross income and billings in each agency listed in the profile. Totals also include holdings in non-media advertising businesses not listed. The boldface breakout for each shop is by 100% of its billings.
Officers:
William H. Genge, chmn-ceo; Gerald J. Voros, pres; Edward L. Graf, vice chmn-cfo; Paul Alvarez, vice chmn; Robert W. Kroyer, pres-Ketchum Advertising USA; David Drobis, pres-Ketchum Public Relations; Jan Hedquist, mg dir-Ketchum International.
Headquarters:
Ketchum Communications
Six PPG Place
Pittsburgh, Pa. 15222
Phone: 412-456-3500
Fax: 412-456-3834

RANK: 33

Man Nen Sha

Osaka, Japan
Gross income: **$87.0** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$87.0	$92.0	(5.5)
Volume	$566.0	$601.4	(5.9)
Employees	460	464	(0.9)
Offices	11	11	0.0

Notes: Dollars are in millions. Man Nen Sha felt the impact of the Japanese yen's 7.1% slide against the dollar. AA treats exchange rates on a constant basis.
Officers:
Tsuneji Higaki, chmn; Osamu Hirokawa, pres.
Headquarters:
Man Nen Sha
5-13, Awajimachi 1-chome, Chuo-ku
Osaka 541, Japan
Phone: 816-202-2212
Fax: 816-227-1651

RANK: 37

MPM Propaganda

Sao Paulo
Gross income: **$65.2** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$65.2	$66.2	(1.4)
Volume	$189.5	$198.6	(4.6)

The Arizona advertising region of The Wall Street Journal delivers subscribers with an average household income of $233,000. 80% with HHI $50,000 or more. 95% in top or middle management positions. At rates competitive with the Phoenix Republic Gazette or the Tucson Star-Citizen. For details, call your Journal representative.

Source: WSJ 1988 Worldwide Subscriber Study.
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Foreign agencies (continued)

Agency, city, equity	Gross income	% chg	1990 Billings
Morocco	**Exchange rates: 0.12164 dirham**		
Klem RSCG, Casablanca **MJ**	1,030	NA	6,865
McCann-Erickson Lorin, Casablanca **MJ**	312	NA	2,141
Namibia	**Exchange rates: 0.397960 0.375830 rand 5.9%**		
Lintas:Namibia, Klein Windhoek **MJ**	249	168.1	1,659
Netherlands	**Exchange rates: 0.545300 0.471950 guilder 15.5%**		
BBDO/Nederland, Amstelveen **MJ**	40,964	27.7	273,093
PMSvW/Young & Rubicam, Amsterdam **MJ**	31,936	36.5	213,019
Ogilvy & Mather, Amsterdam **MJ**	23,448	26.1	161,710
Lintas:Netherlands, Amsterdam **MJ**	22,629	27.0	150,935
PPGH/JWT Groep, Amsterdam **MJ**	20,092	19.6	134,014
ARA/BDDP, Rotterdam **MJ**	19,093	44.5	127,348
Prad Alliance, Amsterdam **JV**	15,268	13.5	101,808
Grey, Amsterdam **MJ**	13,529	52.6	90,238
McCann-Erickson Nederland, Amsterdam **MJ**	12,613	37.4	84,127
Publicis FCB, Amsterdam **MJ**	12,596	18.6	83,976
TBWA, Amsterdam/Eindhoven **MJ**	12,418	17.9	82,785
Saatchi & Saatchi Advertising, Amstelveen **MJ**	11,855	(8.0)	79,069
Noordervliet & Winninghoff/Leo Burnett, Amsterdam **MJ**	10,642	24.9	70,944
DDB Needham, Amsterdam **MJ**	9,718	22.1	64,818
Geudeker Oerlemans RSCG, Amstelveen **MJ**	7,300	21.8	60,283
Eurocom Netherlands, Rotterdam **MJ**	6,982	33.4	46,569
DMB&B, Amsterdam **MJ**	6,614	(36.3)	44,096
BvH, Rotterdam **NA**	4,949	29.2	32,991
Lowe Kuiper & Schouten, Amsterdam **MJ**	4,880	37.1	37,539
BSB Amsterdam, Amsterdam **MJ**	4,724	7.8	31,512
GGK Amsterdam, Amsterdam **MJ**	4,432	52.8	29,560
3lend Marketing Communications, The Hague **NA**	4,335	19.3	28,901
Bridge KLP RSCG, Amsterdam **MJ**	4,300	NA	8,180
VVtH FCA!, Amsterdam **MJ**	4,090	40.9	25,629
Hakuhodo Nederland, Amsterdam **MJ**	4,085	98.4	29,380
HVR Alliance, The Hague **JV**	4,074	19.5	27,161
Bozell Advertising, Amstelveen **MJ**	3,005	20.2	20,034
Schulte & Partners, Lochem **NA**	2,945	18.8	19,631
Ayer Nederland, Amstelveen **MJ**	2,751	31.5	18,348
RAL Advertising, Amsterdam **NA**	2,372	31.9	15,814
Pieter van den Busken, Ouderkerk/Amstel **NA**	2,018	14.0	12,815
Vaz Dias Advertising, Amsterdam **NA**	1,472	15.5	9,815
De Ondernemers, Amsterdam **NA**	1,418	(16.6)	8,725
Conquest Europe Netherlands, Amsterdam **MJ**	415	18.2	6,585
Kobs & Draft, Amsterdam **MJ**	195	NA	1,300
Passet & Van Wieringen, Amsterdam **NA**	130	1.6	870

Notes: Eurocom Netherlands formerly HDM/VW&A; Lowe Kuiper & Schouten gross income figures for both years AA estimates; Young & Rubicam includes Wunderman, Cato Johnson and Burson-Marsteller.

New Zealand	**Exchange rates: 0.596880 0.604580 NZ dollar -1.3%**		
Clemenger/BBDO NZ, Auckland **MN**	16,329	(0.01)	102,057
Saatchi & Saatchi Advertising, Wellington **MJ**	12,176	(13.2)	61,180
Foote, Cone & Belding, Wellington **MN**	8,953	0.7	53,839
Ogilvy & Mather, Wellington **MJ**	6,285	26.4	43,346
Mattingly & Partners, Auckland **MN**	4,594	9.3	22,968
J. Walter Thompson New Zealand, Wellington **MJ**	4,247	(15.6)	21,236
DDB Needham New Zealand, Auckland **MJ**	3,954	(15.0)	26,371
BSB New Zealand, Auckland **MJ**	3,301	(13.5)	16,505
McCann-Erickson, Brown, Christensen, Auckland **MJ**	3,290	22.2	21,944
Lintas:New Zealand, Auckland **MJ**	2,653	(14.3)	17,695
Chiat/Day/Mojo, Auckland **MJ**	2,300	15.0	15,000
Young & Rubicam New Zealand, Auckland **MJ**	2,150	(21.2)	14,339
DMB&B, Auckland **MJ**	2,078	(42.8)	13,436
Ayer Ltd., Auckland **MJ**	1,400	(1.0)	7,001
Leo Burnett-New Zealand, Auckland **MJ**	1,326	(29.0)	8,837
Grey Advertising (NZ), Auckland **MJ**	933	3.8	6,223
Nicaragua	**Exchange rates:**		
APCU de Nicaragua, Managua **MN**	6	NA	43

Notes: Part of APCU Thompson, 40% owned by JWT. Office opened Sept. 1990.

Nigeria	**Exchange rates: 0.12048 0.136050 naira -11.4%**		
Insight Communications, La[illegible] **NE**	8,675	41.7	54,217
MC&A, Lagos **NE**	95	NA	933

Notes: Insight Communications affiliated with Backer Spielvogel Bates; MC&A affiliated with Saatchi & Saatchi Advertising.

Norway	**Exchange rates: 0.158650 0.145410 kroner 9.1%**		
BSB Batesgruppen, Oslo **MJ**	21,781	11.9	145,207
Scaneco-Young & Rubicam, Oslo **MJ**	12,615	0.9	88,262
Publicis FCB, Oslo **MJ**	6,997	40.2	46,673
ScanPartner Norge, Oslo **NA**	6,091	(10.0)	59,489
DMB&B/Lund & Lommer, Oslo **MJ**	5,653	3.8	37,702
A/S Myres/Lintas, Oslo **MN**	5,592	10.5	37,301
Nordskar & Thorkildsen Leo Burnett, Oslo **MN**	5,512	34.4	36,751
Ogilvy & Mather, Oslo **MJ**	5,322	17.9	36,706
McCann-Erickson Norway, Oslo **MJ**	4,176	52.2	27,854
Jenssen & Borkenhagen/BBDO, Oslo **MN**	3,236	(11.0)	29,969
Eurocom Norway, Oslo **MJ**	2,935	NA	28,254
Avanti DDB Needham, Oslo **MJ**	2,856	19.1	19,050
Jensen Grey, Oslo **MN**	2,062	23.8	13,757
Schjaerven/J. Walter Thompson Co., Oslo **NE**	1,782	9.8	11,889
Saatchi & Saatchi Advertising, Oslo **MJ**	1,207	(2.9)	8,047
Jenssen & Borkenhagen 3, Oslo **MN**	1,111	22.2	11,661
Kobs & Draft Bates Direct, Oslo **MJ**	855	32.6	5,700

Gross income and billings are U.S.$ in thousands.

Worldwide	1990	1989	% chg
Employees	703	900	(21.9)
Offices	12	13	(7.7)

Notes: Dollars are in millions.

Officers:
Petronio Correa Filho, Euler Matheus, Luis Carlos Cotta, exec vps.

Headquarters:
MPM Propaganda
Rua General Jardim, 633
01223 Sao Paulo, Brazil
Phone: 5511-255-3111
Fax: 5511-231-3490

RANK: 39

Nihon Keizaisha Advertising

Tokyo
Gross income: **$62.5** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$62.5	$56.3	11.0
Volume	$366.3	$337.3	8.6
Employees	530	502	5.6
Offices	15	14	7.1

Notes: Dollars are in millions. Nihon Keizaisha returns were affected by the Japanese yen's 7.1% slide against the dollar. AA maintains exchange rates on a year-to-year basis.

Officers:
Taketoshi Yamazaki, chmn; Yasuo Shimada, pres-ceo.

Headquarters:
Nihon Keizaisha Advertising
13-20, Ginza 7-chome, Chuo-ku
Tokyo 104, Japan
Phone: 813-3542-0411
Fax: 813-3546-2707

RANK: 4

Omnicom Group

New York
Gross income: **$1,335.5** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$1,335.5	$1,177.9	13.4
Volume	$9,699.6	$8,405.3	15.4
Employees	12,268	11,552	6.2
Offices	359	334	7.5
U.S.	**1990**	**1989**	**% chg**
Gross income	$654.7	$644.9	1.5
Volume	$4,967.2	$4,802.1	3.4
Employees	6,353	6,459	(1.6)
Offices	101	99	2.0

Notes: Dollars are in millions. Omnicom Group is an agency holding company with four groupings: BBDO Worldwide, DDB Needham Worldwide, Tracy-Locke and Diversified Agencies Services. Two Omnicom agencies were sold in 1990: Ammirati & Puris to its management and Blair Advertising to Eric Mower & Associates, Syracuse. Results for both agencies were omitted from Omnicom totals for both years. A&P had gross income of $30.6 million and $28.6 million for the comparable years, respectively, and Blair had gross income of $3 million and $3.8 million. During the year, DDB Needham added Denmark, Thailand and New Zealand shops to its network. Omnicom organization totals comprising its ranking are a composite of its equity in gross income and billings in each agency listed. Totals also include holdings in non-media advertising businesses not listed. Breakouts in boldface for each shop are by 100% of billings, but figures for BBDO Worldwide and DDB Needham are on an equity basis.

Officers:
Bruce Crawford, pres-ceo; Fred J. Meyer, cfo; Raymond E. McGovern, secretary-genl counsel.

Headquarters:
Omnicom Group
437 Madison Ave.
New York, N.Y. 10022
Phone: 212-415-3600
Fax: 212-415-3530

BBDO Worldwide

Worldwide	1990	1989	% chg
Gross income	$561.0	$470.0	19.4
Volume	$4,069.0	$3,241.6	25.5
Employees	3,702	3,306	12.0
Offices	234	190	23.2
U.S.	**1990**	**1989**	**% chg**
Gross income	$207.1	$186.9	10.8
Volume	$1,320.1	$1,347.6	(2.0)
Employees	1,653	1,540	7.3
Offices	25	18	38.9

Billings by U.S. office city	Billings
BBDO Worldwide, Atlanta	221.5
BBDO Worldwide, Southfield, Mich.	156.0
BBDO, Chicago	179.4
BBDO Worldwide, New York	669.0
BBDO Worldwide, Minneapolis	50.8
BBDO Worldwide, Los Angeles	182.5
BBDO Worldwide, Palo Alto, Calif.	41.4

Billings by Middle East office city, equity	Billings
Impact/BBDO, Nicosia(MN)	24.9

Billings by Asian office city, equity	Billings
BBDO Asia Pacific, Hong Kong(NA)	3.7
BBDO Hong Kong, Hong Kong(MJ)	44.1
Clemenger/BBDO, Melbourne(46%)	317.0
Clemenger/BBDO NZ, Auckland(MN)	102.1
PAC/BBDO, Manila(MN)	12.1
R.K. Swamy/BBDO, Madras(MN)	18.2
Spenser/BBDO, Singapore(MJ)	16.0
Stenter BBDO, Taipei(MJ)	15.4
Wings BBDO, Petaling Jaya(MJ)	13.6

Billings by European office city, equity	Billings
Abbott Mead Vickers SMS, London(MN)	217.2
AKT/BBDO Business Communications, Helsinki(MN)	14.1
Antena BBDO, Lisbon(MN)	19.8
ASGS/BBDO, Zurich(MN)	84.4
BBC Ltd., Athens(NA)	3.6
BBDO Athens, Athens(MJ)	23.3
BBDO Belgium, Brussels(MJ)	86.3
BBDO Espana, Barcelona(MJ)	235.2
BBDO/Nederland, Amstelveen(MJ)	273.1
CLM/BBDO, Boulogne-Billancourt(MJ)	203.6
Contrapunto, Madrid(MN)	100.7
Ehrenstrahle & Co., Stockholm(MJ)	28.6
Global, Athens(MJ)	8.9
Grafis, Athens(MJ)	11.2

Billings by European office city, equity	Billings
HLR & Co./BBDO Reklambyra, Stockholm(MN)	36.0
Jenssen & Borkenhagen 3, Oslo(MN)	11.7
Jenssen & Borkenhagen/BBDO, Oslo(MN)	30.0
Multicom, Athens(MJ)	0.8
Oy Avant/BBDO, Helsinki(MN)	5.4
Team/BBDO, Copenhagen(MJ)	82.4
Team/BBDO, Vienna(MJ)	39.1
Team/BBDO Group Germany, Duesseldorf(MJ)	403.1

Billings by Latin American office city, equity	Billings
ASM Zegers, Santiago(MN)	6.3
Almap/BBDO, Sao Paulo(MN)	88.8
Atenas/BBDO, Bogota(NE)	10.5
BBDO Puerto Rico, Hato Rey(MJ)	25.9
David Ratto/BBDO, Buenos Aires(MN)	18.7
Diesto/BBDO, Mexico City(MN)	23.6
Publiart, Santiago(MN)	2.5
PYA/BBDO, Caracas(MN)	6.2

Billings by Canadian office city, equity	Billings
Baker Lovick Advertising, Toronto(MN)	119.1

Officers:
Allen Rosenshine, chmn-ceo; Phil Dusenberry, vice chmn, chmn-ceo BBDO, N.Y.

Headquarters:
BBDO Worldwide
1285 Avenue of the Americas
New York, N.Y. 10019
Phone: 212-459-5000
Fax: 212-459-6645

DDB Needham Worldwide

Worldwide	1990	1989	% chg
Gross income	$485.9	$402.9	20.6
Volume	$3,592.6	$3,024.9	18.8
Employees	4,865	4,725	3.0
Offices	71	63	12.7
U.S.	**1990**	**1989**	**% chg**
Gross income	$191.9	$181.6	5.7
Volume	$1,631.9	$1,506.7	8.3
Employees	1,897	1,847	2.7
Offices	12	12	0.0

Billings by U.S. office city	Billings
DDB Needham, New York	575.5
DDB Needham, Detroit	135.1
DDB Needham, Denver	22.8
DDB Needham, Rancho Cordova, Calif.	57.6
DDB Needham, Chicago	575.0
DDB Needham, McLean, Va.	35.5
DDB Needham, Los Angeles	155.1
Elgin Syferd DDB Needham, Seattle	44.0
M/V/P/G DDB Needham, Honolulu	31.4

Billings by Asian office city, equity	Billings
Daehong Advertising, Seoul(NE)	182.9
DDB Needham, Bangkok(MN)	8.4
DDB Needham, Taipei(MJ)	9.4
DDB Needham, Sydney(MJ)	194.4
DDB Needham DIK, Singapore(MN)	4.3
DDB Needham DIK, Hong Kong(MJ)	37.1
DDB Needham Japan, Tokyo(MN)	6.5
DDB Needham New Zealand, Auckland(MJ)	26.4
Far East Advertising, Bangkok(MN)	32.6
Mudra Communications, Ahmedabad(NE)	37.2
HAGA DDB Needham DIK, Selangor(MN)	8.1

Billings by European office city, equity	Billings
Avanti DDB Needham, Oslo(MJ)	19.0
DMP DDB Needham, London(MJ)	350.2

IN A RECESSION, THE BEST DEFENSE IS A GOOD OFFENSE.

It's a recession. Your instincts demand that you cut the ad budget. But, as the McGraw-Hill Research[1] analysis of business-to-business advertising expenditures during the 1981-82 recession shows, it's those with the courage to maintain or increase advertising in a recession who reap a major sales advantage over their competitors who panic and fall back into a defensive posture. And this advantage continues to expand long after the recession is over.

McGraw-Hill Research, 1986.

Recessions last an average of 11 months, but any advertising decision made during one can have permanent repercussions. The McGraw-Hill study demonstrates that nervous advertisers lose ground to the brave and can't gain it back. In 1980, according to the chart seen here, sales indices were identical, but by 1985 the brave had racked up a 3.2 to 1 sales advantage. A similar study done by McGraw-Hill during the 1974-75 recession corroborates the 1980's research.

A recession is the single greatest period in which to make short- and long-term gains. And, surprisingly, increasing advertising modestly during one has much the same effect on your profits as cutting advertising does. According to The Center for Research & Development's October 1990 study of consumer advertising during a recession, advertisers who yield "to the natural inclination to cut spending in an effort to increase profits in a recession find that it doesn't work."[2] This study, relying on the PIMS[3] database, also uncovered that aggressive recessionary advertisers picked up 4.5 *times* as much market share gain as their overcautious competitors, leaving them in a far better position to exploit the inevitable recovery and expansion.

Chevrolet countered its competitors during the 1974-75 recession by aggressively beefing up its ad spending and attained a two percent market share increase. Today, two share points in the automotive industry are worth over $4 billion. Delta Airlines and Revlon also boosted ad spending in the 1974-75 recession and achieved similar results.

Continuous advertising sustains market leadership. And it's far easier to sustain momentum than it is to start it up again. Consider this list of market category leaders: Campbell's, Coca-Cola, Ivory, Kellogg, Kodak, Lipton and Wrigley. This is the leadership list for 1925. And 1990. These marketers have maintained a relentless commitment to their brands in both good times and bad. Kellogg had the guts to pump up its ad spending during the Great Depression and cemented a market leadership it has yet to relinquish.

These are the success stories. Space and diplomacy don't allow the mention of the names of those who lacked gusto and chose to cut their ad spending in recessionary times.

But if you would like to learn more about how advertising can help make the worst of times the best of times, please write to Department C, American Association of Advertising Agencies, 666 Third Avenue, New York, New York 10017, enclosing a check for five dollars. You will receive a booklet covering the pertinent research done on all the U.S. recessions since 1923. Please allow 4 to 6 weeks for delivery.

[1] McGraw-Hill Research, 1986. [2] The Center for Research and Development ©1990.
[3] Profit Impact of Market Strategies, The Strategic Planning Institute, Cambridge, MA.

AAAA

Billings by European office city, equity	Billings
Carlsson & Broman/DDB Needham, Stockholm(MJ)	25.6
DDB Needham, Kuesnacht-Zurich(MJ)	25.8
DDB Needham, Brussels(MJ)	51.4
DDB Needham, Copenhagen(MJ)	20.6
DDB Needham, Amsterdam(MJ)	64.8
DDB Needham Heye & Partner, Vienna(MJ)	25.0
DDB Needham & Guerreiro Publicidade, Lisbon(MJ)	22.0
DDB Needham France, Paris(MJ)	431.3
Heye & Partner, Munich(MN)	108.9
Olympic DDB Needham, Athens(MJ)	32.1
Tandem DDB Needham, Madrid(MJ)	193.1
Versa DDB Needham/Italy, Milan(MJ)	67.7
Wensauer DDB Needham, Duesseldorf(MJ)	221.9

Billings by other offices city, equity	Billings
DDB Needham, Mexico City(MJ)	10.3
Cardar Gray DDB Needham, Toronto(MJ)	62.5

Officers:
Keith Reinhard, chmn-ceo; John Bernbach, pres.

Headquarters:
DDB Needham Worldwide
437 Madison Ave.
New York, N.Y. 10022
Phone: 212-415-2000
Fax: 212-415-3562

Tracy-Locke

U.S.	1990	1989	% chg
Gross income	$57.1	$55.6	2.7
Volume	$406.3	$404.6	0.4
Employees	631	625	1.0
Offices	3	4	(25.0)

Billings by U.S. office city	Billings
Altschiller Reitzfeld/Tracy-Locke, New York	58.0
Tracy-Locke, Dallas	323.3
Tracy-Locke, Los Angeles	25.0

Officers:
Howard Davis, pres; Mike Rawlings, gm-coo; Tom Monroe, chmn-chief creative officer

Headquarters:
Tracy-Locke
200 Crescent Ct.
Dallas, Texas 75201
Phone: 214-969-9000
Fax: 214-855-2190

Rapp Collins Marcoa

U.S.	1990	1989	% chg
Gross income	$25.5	$23.8	7.2
Volume	$243.2	$226.0	7.6
Employees	316	328	(3.7)
Offices	4	4	0.0

Officers:
David Hefter, chmn; Steven Dapper, pres-ceo; Emily Soell, vp-coo; Edward R. McNally, exec vp-cfo.

Headquarters:
Rapp Collins Marcoa
10 S. Riverside Plaza
Chicago, Ill. 60606
Phone: 312-454-0660
Fax: 312-454-0442

Baxter Gurian & Mazzei

U.S.	1990	1989	% chg
Gross income	$5.0	$3.9	26.7
Volume	$33.0	$26.0	26.9
Employees	45	46	(2.2)
Offices	2	2	0.0

Officers:
Ronald Baxter, chmn; Kenneth Gurian, pres; Joseph Doyle, exec vp; Michael Byrnes, vp-finance.

Headquarters:
Baxter Gurian & Mazzei
8501 Wilshire Blvd.
Beverly Hills, Calif. 90211
Phone: 213-657-5050
Fax: 213-652-0963

Frank J. Corbett Inc.

U.S.	1990	1989	% chg
Gross income	$10.2	$9.9	3.6
Volume	$68.2	$65.8	3.6
Employees	76	80	(5.0)
Offices	1	1	0.0

Officers:
John J. Fisher, pres.

Headquarters:
Frank J. Corbett Inc.
211 East Chicago Ave., Suite 1100
Chicago, Ill. 60611
Phone: 312-664-5310
Fax: 312-664-5946

Doremus & Co.

Worldwide	1990	1989	% chg
Gross income	$15.5	$17.9	(13.7)
Volume	$111.3	$155.0	(28.2)
Employees	219	304	(28.0)
Offices	6	5	20.0

U.S.	1990	1989	% chg
Gross income	$13.9	$16.8	(17.6)
Volume	$102.1	$148.0	(31.0)
Employees	207	304	(31.9)
Offices	5	4	25.0

Billings by European office city, equity	Billings
Doremus & Co., London(MJ)	9.2

Officers:
Curtis Troeger, ceo; Carl Anderson, cfo.

Headquarters:
Doremus & Co.
200 Varick St.
New York, N.Y. 10014
Phone: 212-366-3000

Bernard Hodes Group

Worldwide	1990	1989	% chg
Gross income	$38.0	$38.8	(2.1)
Volume	$253.2	$258.6	(2.1)
Employees	470	501	(6.2)
Offices	31	32	(3.1)

U.S.	1990	1989	% chg
Gross income	$30.2	$30.5	(0.8)
Volume	$201.4	$203.1	(0.8)
Employees	384	393	(2.3)
Offices	24	21	14.3

Billings by European office city, equity	Billings
Bernard Hodes Overton, Birmingham(MJ)	8.2
B&B Bernard Hodes, London(MJ)	34.2
Bernard Hodes-Canada, Toronto(MJ)	9.3

Officers:
Bernard S. Hodes, ceo-pres.

Headquarters:
Bernard Hodes Group
555 Madison Ave.
New York, N.Y. 10022
Phone: 212-935-4000

Kallir, Philips, Ross

Worldwide	1990	1989	% chg
Gross income	$26.7	$25.3	5.7

Foreign agencies (continued)

Agency, city, equity	Gross income	% chg	1990 Billings
Norway Exchange rates: 0.158650 0.145410 kroner 9.1%			
Copyright Alliance, Oslo MJ	793	(9.1)	5,299
Bj. Kverneland, Oslo NA	774	(14.1)	4,255
Collage Reklame & Marketing, Oslo NE	444	(21.7)	1,760
Pakistan Exchange rates: 0.046540 0.050570 rupee -8.0%			
R:Lintas, Karachi NE	1,196	1.2	7,974
Asiatic Advertising, Karachi NA	670	11.4	4,491
IAL, Karachi NE	637	NA	3,910
Blazon Advertising, Karachi NE	397	NA	2,651
Prestige Communications, Karachi/Lahore NA	342	33.2	2,560
G.H. Thaver & Co., Karachi NA	188	43.8	1,350
Panama Exchange rates: 1.000000 1.000000 U.S. dollar 0.0%			
Campagnani, Aleman Publicidad, Panama City NE	1,100	15.8	4,000
McCann-Erickson de Panama, Panama City MJ	666	29.8	4,442
APCU de Panama, Panama City MN	500	47.1	3,000
Paraguay Exchange rates: 0.00082 0.000840 guarini -2.3%			
J. Walter Thompson, Asuncion MJ	144	23.7	959
McCann-Erickson Paraguay, Asuncion MJ	60	25.6	400
Peru Exchange rates: 0.00004 0.000440 inti -90.5%			
J. Walter Thompson Peruana, Lima MJ	10,550	NA	70,365
Grey Peru, Lima MN	3,072	NA	20,956
McCann-Erickson Peru, Lima MJ	3,026	NA	20,183
Perdomo-Ted Bates, Lima NE	844	NA	4,788
MIG Publicidad, Lima NE	767	NA	5,115
Lowder Publicidad, Lima NE	19	NA	924
Philippines Exchange rates: 0.042810 0.047430 peso -9.7%			
McCann-Erickson Philippines, Manila MJ	4,081	5.5	27,220
Basic/Foote, Cone & Belding, Manila MN	3,365	25.8	22,432
Ace/SSA, Manila MJ	2,764	3.0	18,434
Advertising & Marketing Associates, Manila NA	1,982	(8.8)	13,216
Lintas:Manila, Manila MN	1,867	17.8	12,452
Dentsu, Young & Rubicam Alcantara, Manila MN	1,794	8.9	12,643
Hemisphere-Leo Burnett Inc., Manila MJ	1,762	6.2	11,745
PAC/BBDO, Manila MN	1,742	29.4	12,128
Olbes, Ogilvy & Mather, Manila MN	1,379	10.9	9,511
J. Romero & Associates, Manila NA	1,008	(1.4)	6,764
Aspac & Grey, Manila MN	792	27.4	5,282
Admakers, Manila NA	510	(13.4)	3,399
Atlas Bozell, Manila NE	295	18.6	1,969
Poland Exchange rates: NA			
BSB/S&S Marco, Warsaw NE	0	NA	0
Portugal Exchange rates: 0.006980 0.006400 escudo 9.1%			
McCann-Erickson/Hora, Lisbon MJ	13,126	51.7	87,550
Publicis Ciesa, Lisbon MJ	7,468	15.9	49,788
J. Walter Thompson Publicidade, Lisbon MJ	6,751	11.6	45,032
FCB Publicidade, Lisbon MJ	6,284	53.6	41,893
Lintas:Portugal, Lisbon MJ	5,891	5.5	39,292
Ogilvy & Mather, Lisbon MJ	5,411	44.7	37,318
TEAM/Young & Rubicam, Lisbon MJ	5,074	42.7	33,820
DDB Needham & Guerreiro Publicidade, Lisbon MJ	3,292	35.1	21,959
BSB Portugal, Lisbon MJ	2,950	8.7	19,667
Cineponto/Leo Burnett, Lisbon MN	2,429	NA	16,193
Bozell Sensus Publicidade, Lisbon/Porto MJ	2,171	9.4	8,941
Antena BBDO, Lisbon MN	2,094	62.0	19,826
Timing Alliance, Lisbon MJ	1,970	16.2	13,136
Eurocom Portugal, Lisbon MJ	1,501	10.1	10,051
Park Publicidade, Lisbon MJ	1,420	46.4	9,471
Noevox Publicidade, Lisbon NE	1,277	NA	8,519
Latina, Lisbon NA	1,159	16.6	4,958
RSCG Portugal, Lisbon MJ	977	95.4	5,336
Communicar, Lisbon MJ	768	11.5	5,092
DMB&B, Lisbon MJ	711	240.8	4,525
Ayer Portugal, Lisbon MN	524	86.1	3,490
Barro Lisboa, Lisbon JV	200	NA	9,900
Saatchi & Saatchi Advertising, Lisbon MN	133	(97.6)	884
Puerto Rico Exchange rates: 1.000000 1.000000 U.S. dollar 0.0%			
Badillo/SSA, San Juan MJ	13,874	13.7	92,500
Marti, Flores, Prieto & Wechsler, San Juan MN	8,465	7.8	56,500
West Indies & Grey, San Juan MJ	6,625	25.6	44,189
Young & Rubicam Puerto Rico, Guaynabo MJ	5,381	(14.2)	35,891
BBDO Puerto Rico, Hato Rey MJ	4,575	9.4	25,920
Foote, Cone & Belding, Isla Verde MJ	4,278	10.7	28,534
Leo Burnett Inc., San Juan MJ	3,757	11.9	25,049
McCann-Erickson, San Juan MJ	3,569	0.3	23,805

Gross income and billings are U.S.$ in thousands.

The New England advertising region of The Wall Street Journal delivers subscribers with an average household income of $151,200. 85% with HHI $50,000 or more. 86% in top or middle management positions. At rates competitive with the Boston Globe or the Hartford Courant. For details, call your Journal representative.

Source: WSJ 1990 Worldwide Subscriber Study
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Volume	$211.7	$194.9	8.6
Employees	264	267	(1.1)
Offices	3	3	0.0

U.S.	1990	1989	% chg
Gross income	$22.2	$21.2	4.5
Volume	$181.5	$168.0	8.1
Employees	214	206	3.9
Offices	1	1	0.0

Billings by European office city, equity	Billings
KPR, Brussels(MJ)	11.0
Paling Ellis KPR, London(MJ)	16.2

Officers:
John Kallir, chmn-ceo; Norman Cooper, pres-coo; Michael Boyer, exec vp-mg dir, phar div.

Headquarters:
Kallir, Philips, Ross
333 East 38th St.
New York, N.Y. 10016
Phone: 212-856-8400
Fax: 212-856-8660

■ Lavey Wolff Swift

U.S.	1990	1989	% chg
Gross income	$20.4	$16.1	26.4
Volume	$136.0	$107.7	26.4
Employees	154	159	(3.1)
Offices	5	5	0.0

Officers:
John F. Swift, pres-ceo; Kenneth H. Lavey, chmn-cd; Charles A. Rockefeller, exec vp.

Headquarters:
Lavey Wolff Swift
488 Madison Ave.
New York, N.Y. 10022
Phone: 212-593-3630

■ Rainoldi, Kerzner & Radcliff

U.S.	1990	1989	% chg
Gross income	$3.1	$2.1	43.7
Volume	$20.6	$14.3	44.2
Employees	29	27	7.4
Offices	2	2	0.0

Billings by U.S. office city	Billings
Rainoldi, Kerzner & Radcliff, Los Angeles	2.0
Rainoldi, Kerzner & Radcliff, San Francisco	18.8

Officers:
Joseph C. Rainoldi, pres.

Headquarters:
Rainoldi, Kerzner & Radcliff
222 Kearny St., 10th Fl.
San Francisco, Calif. 94108
Phone: 415-398-6222

RANK: 50

Oricom Inc.

Seoul, South Korea
Gross income: **$46.2** million

■ Organization totals

Worldwide	1990	1989	% chg
Gross income	$46.2	$45.3	2.0
Volume	$174.0	$173.6	0.2
Employees	426	421	1.2
Offices	1	1	0.0

Notes: Dollars are in millions.

Officers:
Jungsuk Yang, pres; T.Y. Rhee, B.H. Woo, J.H. Han, exec mg dirs.

Headquarters:
Oricom
Doosan Bldg. 105-7, Nonhyun-Dong
Kangnam-Ku
Seoul, 135-714, South Korea
Phone: 822-510-4010
Fax: 822-542-3966

RANK: 41

Orikomi Advertising

Tokyo
Gross income: **$57.5** million

■ Organization totals

Worldwide	1990	1989	% chg
Gross income	$57.5	$50.8	13.1
Volume	$440.0	$435.8	1.0
Employees	367	358	2.5
Offices	5	5	0.0

Notes: Dollars are in millions. Figures include Orikomi's Japanese branch offices but not newly founded Orikomi Creative, Tokyo.

Officers:
Fusajiro Saito, chmn; Kazuo Watanabe, pres.

Headquarters:
Orikomi Advertising
Ozu Bldg. 2-6-3 Nihonbashi-Honcho, Chuo-ku
Tokyo 103, Japan
Phone: 813-3665-4704
Fax: 813-3661-7689

RANK: 13

Publicis-FCB Communications

Paris
Gross income: **$430.0** million

■ Organization totals

Worldwide	1990	1989	% chg
Gross income	$430.0	$358.8	19.9
Volume	$2,910.7	$2,405.4	21.0
Employees	NA	NA	NA
Offices	NA	NA	NA

U.S.	1990	1989	% chg
Gross income	$5.5	$4.2	30.7
Volume	$44.4	$31.2	42.2
Employees	41	38	7.9
Offices	2	2	0.0

Billings by European office city, equity	Billings
Arge, Madrid(MJ)	73.1
Baums, Mang & Zimmermann, Duesseldorf(MN)	109.0
Communicar, Lisbon(MJ)	5.1
FCB Advertising, London(MJ)	122.0
FCB Publicidade, Lisbon(MJ)	41.9
Foote, Cone & Belding, Neuilly(MJ)	172.1
Gnomi Publicis FCB, Athens(MN)	19.8
Intermarco FCB, Stockholm(MJ)	44.9
Park Publicidade, Lisbon(MJ)	9.5
Publicis, London(MJ)	199.9
Publicis Ciesa, Lisbon(MJ)	49.8
Publicis Conseil, Paris(MJ)	1,161.4
Publicis FCB, Zurich(MJ)	73.2
Publicis FCB, Brussels(MJ)	59.9
Publicis FCB, Vienna(MJ)	27.6
Publicis FCB, Madrid(MJ)	39.0
Publicis FCB, Amsterdam(MJ)	84.0
Publicis FCB, Oslo(MJ)	46.7
Publicis FCB, Duesseldorf(MJ)	170.5

Billings by European office city, equity	Billings
Publicis FCB, Milan(MJ)	388.3
Publicis FCB/HSW, Copenhagen(MJ)	15.2
Yaratim/Publicis FCB, Istanbul(MN)	23.9

Notes: Dollars are in millions. Publicis-FCB Communications B.V. comprises the European shops of Foote, Cone & Belding Communications and Publicis Communications, the advertising arm of Publicis S.A., Paris. It grew out of an alliance struck between FCB and Publicis that involved an exchange of stock. Publicis owns 51% of B.V. and FCB 49%, a total folded into FCB (see profile Page S-37). The breakout for each B.V. shop is by 100% of its billings. Apart from AA's treatment of B.V., Foote, Cone & Belding Communications submitted to AA data reflecting an entity called FCB-Publicis that equaled 100% of FCB and 100% of Publicis-FCB Communications B.V. FCB asserts that B.V. is part of a single operating system with FCB's U.S., Asian and South American properties and should be included on a wholly-owned basis. Publicis Inc., New York, still reports to B.V.

Officers:
Maurice Levy, chmn-ceo; Antonio Beja, exec deputy chmn; Gerard Pedraglio, pres-ceo; Jean-Paul Morin, exec vp.

Headquarters:
Publicis-FCB Communications
133 Avenue des Champs Elysees
75008 Paris, France
Phone: 331-47-20-67-72
Fax: 331-47-20-29-60

■ Publicis Inc.

U.S.	1990	1989	% chg
Gross income	$5.5	$4.2	30.7
Volume	$44.4	$31.2	42.2
Employees	41	38	7.9
Offices	2	2	0.0

Officers:
Frederick W. Rhines, pres-ceo.

Headquarters:
Publicis Inc.
4 W. 58th St.
New York, N.Y. 10019
Phone: 212-980-8550
Fax: 212-755-0571

RANK: 27

Ross Roy Group

Bloomfield Hills, Mich.
Gross income: **$106.0** million

■ Organization totals

U.S.	1990	1989	% chg
Gross income	$106.0	$97.0	9.3
Volume	$707.0	$651.1	8.6
Employees	953	949	0.4
Offices	14	14	0.0

Billings by U.S. office city	Billings
Calet, Hirsch & Spector, New York	102.7
Gray & Kilgore, Troy, Mich.	8.0
Griswold Inc., Cleveland	51.6
Group 243, Ann Arbor, Mich.	76.0
Ross Roy Inc., Bloomfield Hills, Mich.	450.0
Wergeles & Drazen, New York	18.7

Notes: Dollars are in millions. Ross Roy organization totals comprising its ranking are a composite of the parent's equity in gross income and billings in each agency listed in the profile. Billings breakouts for each shop are AA estimates and represent 100% of a shop's billings.

Officers:
Glen W. Fortinberry, ceo-chmn-pres; Chris A. Lawson, exec vp-cfo; B. Wagner, exec vp; Patrick J. Morin, pres-Ross Roy Advertising.

Headquarters:
Ross Roy Group
100 Bloomfield Hills Parkway
Bloomfield Hills, Mich. 48304
Phone: 313-433-6000
Fax: 313-433-6135

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Tokyo 104-11, Japan

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Tel: (212) 867-9580 Fax: (212) 557-4189 Telex: 236514 JBP UR

RANK: 14

Roux Seguela Cayzac & Goudard

Issy les Moulineaux, France
Gross income: **$346.2** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$346.2	$224.4	54.3
Volume	$2,354.5	$1,713.1	37.4
Employees	3,900	2,125	83.5
Offices	156	92	69.6

U.S.	1990	1989	% chg
Gross income	$47.8	$28.1	70.1
Volume	$387.9	$227.6	70.4
Employees	855	333	156.8
Offices	7	3	133.3

Billings by U.S. office city	Billings
Comart KLP & Aniforms, New York	57.4
Field Research Corp., San Francisco	25.3
Metro Seliger Industries, New York	36.7

Billings by European office city, equity	Billings
Bridge KLP RSCG, Amsterdam(MJ)	8.2
Cash RSCG, Zurich(MJ)	18.6
Colman RSCG, London(MJ)	12.0
Conran Design RSCG, London(MJ)	33.4
Creative Business, Geneva Zurich(MN)	14.0
Garbarski RSCG, Brussels(MJ)	49.9
Goudeker Oeriemans RSCG, Amstelveen(MJ)	60.3
Interface RSCG, London(MJ)	6.7
Kingsland Lloyd Petersen RSCG, London(MJ)	148.6
Leitmotiv RSCG, Madrid(MJ)	63.3
Madell Wilmot Pringle RSCG, London(MJ)	56.6
RSCG Butler Rang, Duesseldorf(MJ)	90.0
RSCG France, Paris(MJ)	1,200.6
RSCG Havasi & Varga, Budapest(MJ)	1.9
RSCG Havi, Stockholm(MJ)	19.3
RSCG Jasch & Schramm, Vienna(MJ)	24.3
RSCG Mezzano Costantini Mignani, Milan(MJ)	112.1
RSCG Palavidis, Athens(MJ)	4.9
RSCG Portugal, Lisbon(MJ)	5.3
Klein RSCG, Casablanca(MJ)	NA

Notes: Dollars are in millions. Roux Seguela Cayzac & Goudard is a holding company with a single tier of agencies, led in Europe by RSCG France and the U.S. by Tatham-Laird & Kudner, Chicago, of which Roux Seguela holds 70%. Roux Seguela also owns 51% of Messner Vetere Berger Carey Schmetterer, 51% of Lally McFarland & Pantello and 100% of both Comart/KLP & Aniforms and Metro Seliger Industries, all New York, and 100% in Field Research Corp., San Francisco. RSCG's media advertising accounts for 51% of total returns. Breakouts for TLK, MVBCS and LMP are shown at 100%, although only the equity is folded in. Organization totals comprising the ranking are a composite of Roux Seguela's equity in gross income and billings in each agency listed in the profile. Totals also include holdings in non-media advertising businesses not listed. The breakout for each shop is by 100% of its billings.

Officers:
Bernard Roux, chmn; Jacques Seguela, Charlotte Beers, vice-chmn; Alain Cayzac, pres-RSCG France; Jean-Michel Goudard, pres-RSCG intl.

Headquarters:
Roux Seguela Cayzac & Goudard
99-115 Quai du President Roosevelt
Issy les Moulineaux 92136, France
Phone: 331-40-93-92-93
Fax: 331-40-93-91-01

Lally, McFarland & Pantell

U.S.	1990	1989	% chg
Gross income	$8.5	$7.5	13.3
Volume	$67.1	$58.4	14.9
Employees	85	84	1.2
Offices	2	2	0.0

Billings by U.S. office city	Billings
Lally, McFarland & Pantello, New York	60.2

Billings by other offices city, equity	Billings
LMP Advertising, Montreal(MJ)	6.9

Officers:
Ronald G. Pantello, pres; J. Lally, exec vp-director, copy; James McFarland, exec vp-director, art.

Headquarters:
Lally, McFarland & Pantello
60 Madison Ave.
New York, N.Y. 10010
Phone: 212-532-1000

Messner Vetere Berger Carey Schmetterer

U.S.	1990	1989	% chg
Gross income	$10.5	$9.7	7.6
Volume	$77.6	$72.1	7.6
Employees	60	52	15.4
Offices	1	1	0.0

Officers:
Robert Schmetterer, pres; Tom Messner, Barry Vetere, Wally Carey, Ron Berger, partners.

Headquarters:
Messner Vetere Berger Carey Schmetterer
375 Hudson St.
New York, N.Y. 10014
Phone: 212-886-0200

Tatham-Laird & Kudner

U.S.	1990	1989	% chg
Gross income	$28.7	$27.6	3.7
Volume	$278.2	$230.1	20.9
Employees	260	254	2.4
Offices	1	1	0.0

Officers:
Mg partners: Charlotte Beers, ceo; Ralph Rydolm, chmn-cco; Ian R. Miller, pres.

Headquarters:
Tatham-Laird & Kudner
980 N. Michigan Ave.
Chicago, Ill. 60611
Phone: 312-337-4400
Fax: 312-337-5930

RANK: 2

Saatchi & Saatchi Co.

London
Gross income: **$1,729.3** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$1,729.3	$1,575.8	9.7
Volume	$11,961.7	$10,802.4	9.8
Employees	14,877	14,242	4.5
Offices	281	275	2.2

U.S.	1990	1989	% chg
Gross income	$739.7	$705.9	4.8
Volume	$5,172.1	$4,936.9	4.8
Employees	4,172	NA	NA
Offices	29	28	3.6

Notes: Dollars are in millions. Saatchi & Saatchi Co. is a London-based holding company with two major agency groups: Saatchi & Saatchi Advertising Worldwide and Backer Spielvogel Bates Worldwide. On an organizational basis, virtually all U.S. agencies whether grouped under SSAW or BSBW report to the holding company. McCaffrey & McCall, New York, an agency under the SSAW arm, was sold to management in 1991 and is excluded from both 1990 and 1989 results. SSAW holds majority equity in most of its international shops but in many cases operates on a contractual basis with no equity involved. In those cases, AA excludes all returns of such shops. Saatchi had $333 million in non-equity billings and equivalent gross income omitted from its submitted totals. BSBW had $495 million in non-equity billings and equivalent gross income omitted from its totals. BSBW claims that although it holds no equity in most of its Latin American agencies, some 20-25% of billings from those shops is from network accounts needing service in Latin America. The holding company sold its consulting division during 1990. Totals for this division, which contributed about $3 billion in billings in 1989, were omitted for both years. Saatchi group's organization totals comprising its ranking are a composite of the parent's equity in gross income and billings in each agency listed in the profile. Totals also include non-media advertising businesses not listed. The breakout for each shop or network is by 100% of its billings, except for Saatchi & Saatchi Advertising Worldwide and Backer Spielvogel Bates Worldwide, which are broken out on an equity basis.

Officers:
Robert Louis-Dreyfus, ceo; Maurice Saatchi, chmn; Charles Saatchi, dir.

Headquarters:
Saatchi & Saatchi Co.
Berkeley Square
London W1X 5DH
England
Phone: 4471-495-5000
Fax: 4471-495-3575

Saatchi & Saatchi Advertising Worldwide

Worldwide	1990	1989	% chg
Gross income	$720.3	$629.4	14.4
Volume	$4,829.5	$4,306.9	12.1
Employees	6,623	6,049	9.5
Offices	124	121	2.5

U.S.	1990	1989	% chg
Gross income	$270.7	$245.8	10.1
Volume	$1,860.9	$1,690.2	10.1
Employees	1,726	NA	NA
Offices	3	3	0.0

Billings by U.S. office city	Billings
Saatchi & Saatchi DFS/Pacific, San Francisco	86.0
Saatchi & Saatchi Advertising, New York	1,469.3
Saatchi & Saatchi DFS/Pacific, Torrance, Calif	298.6

Billings by African office city, equity	Billings
Barker McCormac, Harare(NE)	10.0
Horizon Advertising, Gaborone(NE)	0.5
Klerck & White, Johannesburg Cape Town(NE)	30.5
MCL, Nairobi(NE)	1.8
MC&A, Lagos(NE)	0.9
Peter Gilbert Advertising, Lusaka(NE)	0.2
Saatchi & Saatchi Advertising, Cairo(JV)	1.2

Billings by Asian office city, equity	Billings
Ace/SSA, Manila(MJ)	18.4
Cipta/SSA, Jakarta(MN)	2.2
Everest Advertising, Bombay New Delhi(NE)	24.3
IAL, Karachi(NE)	3.9
Saatchi & Saatchi, Hong Kong(MJ)	25.7
Saatchi & Saatchi, Kuala Lumpur(MJ)	2.5
Saatchi & Saatchi, Bangkok(MJ)	9.3
Saatchi & Saatchi, Guangzhou Beijing(MJ)	0.0
Saatchi & Saatchi, Wellington(MJ)	61.2
Saatchi & Saatchi, Taipei(MJ)	19.2
Saatchi & Saatchi, Singapore(MJ)	25.7
Saatchi & Saatchi, Sydney Melbourne(MJ)	119.8
Saatchi & Saatchi, Tokyo(MJ)	30.3
SSIMC, Seoul(JV)	0.5

Billings by European office city, equity	Billings
Adel/SSA, Athens(JV)	28.3
BSB/SSA Studio Marketing, Belgrade(JV)	12.0
BSB/S&S Creative Comm., Prague(NE)	0.0
BSB/S&S Marco, Warsaw(NE)	0.0
Guzel Sanatlar, Istanbul(NE)	41.7
Impuls, Zurich(NE)	42.9
KHBB, London(MJ)	216.9
Oy Interplan, Helsinki(NE)	24.2
Saatchi & Saatchi Advertising, Lisbon(MN)	0.9
Saatchi & Saatchi Advertising, Stockholm(MJ)	15.2
Saatchi & Saatchi Advertising, London(MJ)	1,250.0
Saatchi & Saatchi Advertising, Paris(MJ)	281.6
Saatchi & Saatchi Advertising, Dublin(MJ)	23.1
Saatchi & Saatchi Advertising, Frankfurt(MJ)	225.7
Saatchi & Saatchi Advertising, Milan Rome(MJ)	285.5
Saatchi & Saatchi Advertising, Vienna(MJ)	65.1
Saatchi & Saatchi Advertising, Budapest(NE)	0.0
Saatchi & Saatchi Advertising, Amstelveen(MJ)	79.1
Saatchi & Saatchi Advertising, Brussels(MJ)	25.5
Saatchi & Saatchi Advertising, Oslo(MJ)	8.0
Saatchi & Saatchi Advertising, Madrid Barcelona(MJ)	132.3
Saatchi & Saatchi Advertising, Copenhagen(MJ)	14.2
Saatchi & Saatchi Direct, Athens(JV)	3.0
SSBC, Stockholm(MJ)	17.8
SSBC, Nyon/Zurich(MJ)	28.1

Billings by Latin American office city, equity	Billings
Advertising Associates Compton, Hamilton(NE)	3.2
AW/SSA, Caracas(MN)	13.2
Badilla/SSA, San Juan(MJ)	92.5
Better Communicacao, Sao Paulo/Rio de Janeiro(NE)	52.1
CGR Communications, Kingston(NE)	3.0
Cumbre/SSA, Santo Domingo(NE)	1.7
Israel & de Bianchi, Santiago(NE)	9.0
Lastrec/SSA, Buenos Aires(NE)	21.2
Lonsdale/SSA, St. Michaels(MN)	4.0
Lonsdale/SSA, Port of Spain(MN)	6.6
MIG Publicidad, Lima(NE)	5.1
Montenegro/SSA, Mexico City(NE)	10.1
Propaganda Sancho, Bogota(NE)	12.7
Publicitas, Guayaquil(NE)	1.8

Billings by other offices city, equity	Billings
SSC Hayhurst, Toronto (MJ)	94.1
Saatchi & Saatchi Advertising, Jeddan(MJ)	11.3

Officers:
Saatchi & Saatchi Advertising, New York: Joseph Mack, chmn-ceo; Michael Keeshan, pres-coo. Saatchi & Saatchi Advertising, North America: Stuart Upson, chmn; Edward Wax, pres-ceo.

Headquarters:
Saatchi & Saatchi Advertising
375 Hudson St.
New York, N.Y. 10014-3640
Phone: 212-463-2000
Fax: 212-463-3237

Backer Spielvogel Bates Worldwide

Worldwide	1990	1989	% chg
Gross income	$552.9	$516.3	7.1
Volume	$3,725.1	$3,449.0	8.0
Employees	7,140	6,975	2.4
Offices	146	140	4.3

U.S.	1990	1989	% chg
Gross income	$170.5	$177.0	(3.7)
Volume	$1,136.0	$1,181.3	(3.8)
Employees	1,337	1,370	(2.4)
Offices	18	17	5.9

Billings by Asian office city, equity	Billings
Backer Spielvogel Bates, Wanchai(MJ)	43.4
Backer Spielvogel Bates, Singapore(MJ)	6.0
BSB Japan, Tokyo(MN)	47.5
BSB Malaysia, Kuala Lumpur(MN)	21.2
BSB New Zealand, Auckland(MJ)	16.5
BSB Taiwan, Taipei(MJ)	4.9
BSB Thailand, Bangkok(MJ)	4.0
Diamond Ad, Seoul(MN)	94.3
George Patterson Pty., Sydney(MJ)	530.9
PT Bates Mulia Indonesia, Jakarta(NE)	9.0
Sista's Private, Bombay(NE)	8.6

Billings by European office city, equity	Billings
Backer Spielvogel Bates Gruppen, Copenhagen(MJ)	98.6
BSB Amsterdam, Amsterdam(MJ)	31.5
BSB Athens, Athens(MJ)	12.8
BSB Batesgruppen, Oslo(MJ)	145.2
BSB Brussels, Brussels(MJ)	48.0
BSB Deutschland, Frankfurt(MJ)	262.2
BSB Dorland, London(MJ)	539.2
BSB Finsad Oy, Helsinki(MJ)	87.4
BSB France, Puteaux(MJ)	102.2
BSB Hunter, Dublin(MJ)	12.3
BSB Italia, Milan(MJ)	74.5
BSB Portugal, Lisbon(MJ)	19.7
BSB Sweden, Stockholm(MJ)	89.6
Dr. Pullner & BSB, Vienna(MJ)	43.6
Grupo BSB, Madrid(MJ)	349.6
Nota Advertising, Istanbul(NE)	8.7
Scholz & Friends, Hamburg(MJ)	176.2

Billings by Latin American office city, equity	Billings
Arellano/BSB de Mexico, Mexico City(MN)	22.3
BSB Ghersy Quintero, Caracas(NE)	9.4
BSB Meza, Bogota(NE)	7.1
Cicero/Ted Bates, Buenos Aires(NE)	0.9
Denison Propaganda, Sao Paulo(NE)	17.1
Lambiasi S.A., Santiago(NE)	3.1
Perdome-Ted Bates, Lima(NE)	4.8
VIP Publicidad, Quito(NE)	1.5

Billings by other offices city, equity	Billings
Backer Spielvogel Bates Canada, Toronto(MJ)	107.2
Insight Communications, Lagos(NE)	54.2

Officers:
Carl Spielvogel, chmn-ceo; William M. Backer, pres-exec creative dir; Alvin A. Achenbaum, vice chmn-prof svcs; John N. Citron, exec vp-finance & admin; Anne Melanson, exec vp-dir human resources; Kenneth R. Rogers, exec vp-multinational mg dir.

Headquarters:
Backer Spielvogel Bates Worldwide
The Chrysler Building
405 Lexington Ave.
New York, N.Y. 10174
Phone: 212-297-7000
Fax: 212-986-2431

Campbell-Mithun-Esty

U.S.	1990	1989	% chg
Gross income	$120.3	$115.9	3.8
Volume	$892.5	$859.8	3.8
Employees	1,169	1,155	1.2
Offices	4	4	0.0

Billings by U.S. office city	Billings
Campbell-Mithun-Esty, Minneapolis	392.6
Campbell-Mithun-Esty, Chicago	179.5
Campbell-Mithun-Esty, New York	157.0
Campbell-Mithun-Esty, Detroit	163.4

Officers:
William D. Dunlap, ceo; David Welch, chmn; C. Anthony Wainwright, vice chmn.

Headquarters:
Campbell-Mithun-Esty
222 South 9th St.
Minneapolis, Minn. 55402
Phone: 612-347-1000
Fax: 612-347-1515

Kobs & Draft Advertising

Worldwide	1990	1989	% chg
Gross income	$42.5	$30.3	40.3
Volume	$281.5	$200.4	40.5
Employees	402	280	43.6
Offices	21	15	40.0

The Dallas/Ft. Worth advertising region of The Wall Street Journal delivers subscribers with an average household income of $166,000. 86% with HHI $50,000 or more. 89% in top or middle management positions. At rates competitive with the Dallas Morning News, Dallas Times-Herald or the Fort Worth Star-Telegram. For details, call your Journal representative.

Source: WSJ 1990 Worldwide Subscriber Study
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Seven-year U.S. agency gross income & billings review

	Total gross income						Total capitalized billings					
Year	Worldwide	% chg	U.S.	% chg	Foreign	% chg	Worldwide	% chg	U.S.	% chg	Foreign	% chg
1990	$12,693.0	11.1	$7,445.0	6.4	$5,248.0	18.5	$89,970.2	12.3	$53,957.1	7.8	$36,013.0	19.6
1989	11,429.0	1.7	6,998.5	2.5	4,430.5	0.4	80,134.8	2.8	50,033.5	3.6	30,101.2	1.4
1988	11,238.3	16.9	6,827.5	9.8	4,410.8	29.9	77,988.9	18.7	48,299.2	12.4	29,689.7	30.6
1987	9,613.1	11.1	6,217.7	(4.4)	3,395.4	58.2	65,702.4	10.8	42,971.2	(4.0)	22,731.2	55.9
1986	8,648.9	5.8	6,502.2	3.8	2,146.7	12.3	59,318.8	6.3	44,740.8	8.1	14,578.0	1.0
1985	8,174.6	14.7	6,262.2	18.7	1,912.4	3.2	55,805.5	15.2	41,371.8	15.3	14,433.7	15.0
1984	7,129.4	17.1	5,276.7	18.4	1,852.7	13.6	48,443.9	17.0	35,895.4	18.3	12,548.5	13.5

Notes: Dollars are in millions. Change is computed from previous years' figures, including 1983, not shown. All figures are constant, representing reporting by the top 500 U.S.-based agencies in the year given, except 1989 which is restated to reflect agency reporting in 1990.

U.S.	1990	1989	% chg
Gross income	$20.4	$17.7	14.9
Volume	$134.3	$116.9	14.9
Employees	155	146	6.2
Offices	2	2	0.0
Billings by U.S. office city			**Billings**
Kobs & Draft Advertising, New York			85.2
Kobs & Draft Advertising, Chicago			49.1
Billings by Asian office city, equity			**Billings**
Kobs & Draft, Hong Kong(MJ)			19.9
Kobs & Draft, Sydney/Melbourne(MJ)			25.9
Billings by European office city, equity			**Billings**
Kobs & Draft, Amsterdam(MJ)			1.3
Kobs & Draft, Brussels(MJ)			1.0
Kobs & Draft, Athens(MJ)			1.7
Kobs & Draft, Madrid(MJ)			16.0
Kobs & Draft Gates Direct, Oslo(MJ)			5.7
Kobs & Draft Italia, Milan(MJ)			0.8
Kobs & Draft France, Puteaux(MJ)			16.2
K&D Bond International, Stockholm(MJ)			2.3
K&D Dorland Direct, London(MJ)			10.4
K&D Finnad Direct, Helsinki(MJ)			5.6
Wolff & Partner, Stuttgart(MJ)			56.9
Billings by Canadian office city, equity			**Billings**
Kobs & Draft, Toronto(MJ)			2.2

Officers:
Howard Draft, ceo; Dan Ginsburg, pres-Worldwide; Richard Meyers, exec vp-dir finance.

Headquarters:
Kobs & Draft Advertising
142 E. Ontario St.
Chicago, Ill. 60611
Phone: 312-944-3500

■ AC&R Advertising

U.S.	1990	1989	% chg
Gross income	$33.6	$45.8	(26.7)
Volume	$291.6	$369.1	(21.0)
Employees	345	436	(20.9)
Offices	3	4	(25.0)
Billings by U.S. office city			**Billings**
AC&R Advertising, San Diego, Calif.			3.1
AC&R Advertising, New York			264.4
AC&R Advertising, Irvine, Calif.			24.1

Officers:
Alvin Chereskin, chmn-ceo; Harry J. Koenig, vice chmn-cfo.

Headquarters:
AC&R Advertising
16 East 32nd St.
New York, N.Y. 10016
Phone: 212-696-3900

■ Cadwell Davis Partners

U.S.	1990	1989	% chg
Gross income	$15.1	$6.9	118.5
Volume	$101.0	$46.2	118.5
Employees	75	44	70.5
Offices	1	1	0.0

Officers:
Frankie Cadwell, pres; Herman Davis, chmn; Eliot Glazer, exec vp.

Headquarters:
Cadwell Davis Partners (USA)
375 Hudson St.
New York, N.Y. 10014
Phone: 212-463-2100

■ Conill Advertising

U.S.	1990	1989	% chg
Gross income	$4.5	$5.5	(18.3)
Volume	$24.1	$36.5	(33.9)

Officers:
Carlos Rossi, ceo.

Headquarters:
Conill Advertising
100 Avenue of the Americas
New York, N.Y. 10013
Phone: 212-274-7500
Fax: 212-632-2759

■ Cliff Freeman & Partners

U.S.	1990	1989	% chg
Gross income	$13.3	$8.5	56.9
Volume	$102.0	$65.0	56.9
Employees	30	23	30.4
Offices	2	2	0.0

Officers:
Cliff L. Freeman, chmn-chief creative dir; Robert L. Reed, exec vp-mg dir.

Headquarters:
Cliff Freeman & Partners
375 Hudson St.
New York, N.Y. 10014
Phone: 212-463-3200
Fax: 212-463-3225

■ Kloetzer Advertising

U.S.	1990	1989	% chg
Gross income	$17.6	$15.5	13.5
Volume	$134.4	$121.1	11.0
Employees	140	135	3.7
Offices	1	1	0.0

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Officers:
Albert P. Molinaro Jr., chmn; Gavin A. Scotti, pres-ceo.
Headquarters:
Klemtner Advertising
375 Hudson St.
New York, N.Y. 10014
Phone: 212-463-4000
Fax: 212-463-9864

Rumrill-Hoyt

U.S.	1990	1989	% chg
Gross income	$13.6	$13.0	4.4
Volume	$89.1	$86.6	2.8
Employees	174	168	3.6
Offices	1	1	0.0

Officers:
Richard D. Thomson, ceo.
Headquarters:
Rumrill-Hoyt Inc.
60 Corporate Woods
Rochester, N.Y. 14623
Phone: 716-272-6100
Fax: 716-272-6206

Team One

U.S.	1990	1989	% chg
Gross income	$20.0	$16.0	25.2
Volume	$137.7	$110.0	25.2

Officers:
John Hirschboeck, ceo.
Headquarters:
Team One Advertising
1960 E. Grand Ave.
El Segundo, Calif. 90245
Phone: 213-615-2000

RANK: 40

Sogei Inc.

Tokyo
Gross income: **$57.8** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$57.8	$53.4	8.2
Volume	$364.6	$330.9	10.2
Employees	479	445	7.6
Offices	8	8	0.0

Notes: Dollars are in millions.
Officers:
Hirobumi Senoh, ceo; Yasuo Tanaka, sr mg dir.
Headquarters:
Sogei
1-15-7, Tsukishima, Chuo-Ku
Tokyo 104, Japan
Phone: 813-3532-6301
Fax: 813-3532-6380

RANK: 21

TBWA Advertising

New York
Gross income: **$138.3** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$138.3	$118.8	16.4
Volume	$922.0	$794.6	16.0
Employees	998	905	10.3
Offices	16	16	0.0
U.S.	**1990**	**1989**	**% chg**
Gross income	$42.2	$33.2	26.9
Volume	$281.2	$221.6	26.9
Employees	298	265	12.5
Offices	2	2	0.0

Billings by U.S. office city	Billings
TBWA Advertising, New York	214.1
TBWA Kerlick Switzer, St. Louis	67.1
Billings by European office city, equity	**Billings**
TBWA, Brussels(MJ)	32.6
TBWA, Frankfurt/Duesseldorf/Hamburg(MJ)	142.1
TBWA, Milan/Rome/Padua(MJ)	154.0

Billings by European office city, equity	Billings
TBWA, Amsterdam/Eindhoven(MJ)	82.8
TBWA, Zurich(MJ)	22.2
TBWA De Plas, Paris(MJ)	85.6
TBWA Espana, Madrid/Barcelona(MJ)	41.8
TBWA Holmes Knight Ritchie, London(MJ)	79.7

Notes: Dollars are in millions. TBWA totals represent 100% of gross income and billings in each agency listed in the profile. Returns do not include TBWA's European joint venture with Hakuhodo Inc., formed the end of 1990.
Officers:
William Tragos, chmn-ceo; Richard Costello, pres-coo; Michael Switzer, chmn-St. Louis; Stuart Loss, cfo.
Headquarters:
TBWA Advertising
292 Madison Ave.
New York, N.Y. 10017
Phone: 212-725-1150
Fax: 212-213-2869

RANK: 42

Telephone Marketing Programs

New York
Gross income: **$55.8** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$55.8	$40.5	37.7
Volume	$371.9	$270.1	37.7
Employees	922	736	25.3
Offices	34	22	54.5
U.S.	**1990**	**1989**	**% chg**
Gross income	$52.8	$37.8	39.5
Volume	$351.7	$252.1	39.5
Employees	922	736	25.3
Offices	34	22	54.5

Notes: Dollars are in millions. TMP established TMP/Japan in 1990.

Spirit of St. Louis.

The St. Louis advertising region of The Wall Street Journal delivers subscribers with an average household income of $124,000. 80% with HHI $50,000 or more. 91% in top or middle management positions. At rates competitive with the St. Louis Post-Dispatch. For details, call your Journal representative.

Source: WSJ 1990 Worldwide Subscriber Study
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Foreign agencies (continued)

Agency, city, equity	Gross income	% chg	1990 Billings
Puerto Rico	**Exchange rates: 1.000000 1.000000 U.S. dollar 0.0%**		
De la Cruz & Goachet, San Juan MN	2,843	24.6	18,965
Bozell CPV Advertising, Santurce MJ	719	(27.3)	4,794
Notes: Young & Rubicam includes Wunderman and Burson-Marsteller; Marti, Flores, Prieto & Wachtel and De la Cruz & Goachet both 29% owned by J. Walter Thompson Co.			
Saudi Arabia	**Exchange rates: 0.266690 0.266800 riyal -0.0%**		
Saatchi & Saatchi Advertising, Jeddah MJ	1,692	(19.4)	11,280
Targets Advertising, Jeddah NE	1,243	(21.9)	8,277
DMB&B, Jeddah MJ	NA	NA	NA
Notes: Targets Advertising affiliated with Leo Burnett Co.			
Singapore	**Exchange rates: 0.547410 0.512120 Singapore dollar 6.9%**		
Batey Communications Group, Singapore MN	11,330	67.9	75,573
Ogilvy & Mather, Singapore MJ	6,388	45.4	44,061
McCann-Erickson Singapore, Singapore MJ	4,073	1.9	27,165
Saatchi & Saatchi Advertising, Singapore MJ	3,881	26.3	25,728
Dentsu, Young & Rubicam Singapore, Singapore JV	3,712	29.1	24,749
J. Walter Thompson Singapore, Singapore MJ	3,254	33.0	21,704
Leo Burnett Pte., Singapore MJ	3,171	10.0	21,138
Hakuhodo Singapore, Singapore MJ	2,396	33.0	11,268
Spens BDO, Singapore MJ	2,316	98.2	16,007
Chiat/D. Mojo, Singapore MJ	2,200	(29.0)	13,000
DNC Advertising Singapore, Singapore NA	2,135	9.7	14,233
G ngapore JV	2,112	30.9	14,092
Bai Partnership, Singapore MJ	1,956	19.2	13,046
DMB&B, Singapore MJ	1,728	49.6	10,851
Lintas:Singapore, Singapore MJ	1,699	(0.5)	11,330
Bozell Advertising, Singapore MJ	1,676	6.0	11,172
Ketchum Advertising/Singapore, Singapore MJ	1,309	44.1	8,724
Backer Spielvogel Bates, Singapore MJ	1,095	6.9	6,022
Tropical Alliance, Singapore MJ	657	42.5	4,379
DDB Needham DIK, Singapore MN	640	(0.3)	4,272
Notes: Batey Communications headquartered in Singapore; also has offices in Hong Kong, Taiwan, Malaysia and Philippines. Paris-based BDDP Group holds 20% equity in Batey.			
South Africa	**Exchange rates: 0.387510 0.386940 rand 0.1%**		
Ogilvy & Mather Rightford, Cape Town MN	14,739	20.8	101,548
Grey Holdings, Johannesburg MN	13,645	(7.7)	91,010
Lindsay Smithers-FCB, Sandton NA	13,418	18.4	81,314
Young & Rubicam South Africa, Johannesburg MJ	12,276	13.0	81,879
Lintas:South Africa, Johannesburg MJ	6,935	9.7	46,254
McCann-Erickson DeVilliers, Johannesburg MJ	5,374	(17.2)	35,845
Klerck & White, Johannesburg/Cape Town NE	5,032	(34.5)	30,500
J. Walter Thompson Co., Johannesburg MN	4,019	(13.1)	24,352
Bernstein Loxton Golding & Klein, Johannesburg NA	3,948	67.0	23,074
Barker McCormac Advertising & Marketing, Sandton NA	3,090	(0.2)	18,728
IMA Pty., Cape Town NA	2,802	26.6	17,525
Notes: Foote, Cone & Belding dissolved its affiliation with Lindsay Smithers.			
South Korea	**Exchange rates: 0.001420 0.001490 won -4.7%**		
Cheil Communications, Seoul NA	73,067	13.7	274,085
Oricom, Seoul NA	46,169	2.0	174,031
Daehong Advertising, Seoul NE	40,798	36.0	182,950
Korad Ogilvy & Mather, Seoul MN	27,122	23.8	187,048
Diamond Ad, Seoul MN	11,499	43.2	94,301
Geoson Advertising, Seoul NE	10,252	NA	68,381
Seoul/DMB&B, Seoul MN	5,904	NA	60,514
Cheil Bozell Inc., Seoul MN	2,485	NA	12,097
Dentsu, Young & Rubicam Korea, Seoul JV	1,321	NA	9,798
McCann-Erickson, Seoul MJ	1,171	NA	7,808
Lintas:Samhee, Seoul MJ	1,064	429.5	)7,100
J. Walter Thompson Korea, Seoul MJ	869	NA	4,733
Saatchi & Saatchi/IMC, Seoul JV	68	NA	470
Notes: Diamond Ad 10% owned by Backer Spielvogel Bates; Geoson Advertising affiliated with Grey; Daehong Advertising affiliated with DDB Needham; LG Ad, affiliated with BBDO, did not submit figures.			
Spain	**Exchange rates: 0.009740 0.008420 peseta 15.7%**		
Grupo BSB, Madrid MJ	52,421	38.3	349,647
Bassat, Ogilvy & Mather, Madrid MJ	38,628	26.6	266,397
TAPSA Ayer, Madrid MJ	37,393	37.5	272,214
J. Walter Thompson Co., Madrid MJ	36,691	57.9	310,218
McCann-Erickson Group, Madrid MJ	36,487	37.0	243,370
BBDO Espana, Barcelona MJ	32,415	26.1	235,153
Lintas:Spain, Madrid MJ	30,613	24.0	204,191
Tandem DDB Needham, Madrid MJ	28,950	146.7	193,095
Young & Rubicam S.A., Madrid MJ	28,533	31.6	190,573
Eurocom Spain, Madrid MJ	21,866	27.7	145,848
Saatchi & Saatchi Advertising, Madrid/Barcelona MJ	19,388	5.5	132,347
Danis/DMB&B, Madrid MJ	15,761	19.4	105,515
Publicidad Noventa y Seis, Madrid NA	15,194	100.5	101,345
Contrapunto, Madrid MN	15,107	27.8	100,712
Ruiz Nicoli Group, Madrid MJ	14,318	267.3	96,971
Argo, Madrid MJ	10,958	26.9	73,050
CID, Madrid MN	10,831	42.5	83,180
Lowe & Partners Iberia, Barcelona/Madrid MJ	10,383	167.2	79,868
Leitmotiv/RSCG, Madrid MJ	10,227	48.1	63,310
Grey Espana, Madrid/Barcelona MJ	10,003	29.7	66,720
Vitruvio/Leo Burnett, Madrid MN	8,794	49.7	58,629
Ricardo Perez Asociados, Madrid NA	8,766	27.0	68,180
MMLB, Barcelona NA	8,717	29.4	66,232
BCK Alliance, Barcelona MN	8,181	27.0	55,518
Barro CDP, Madrid/Barcelona JV	8,000	77.8	63,800
Solucion/BDDP, Madrid MJ	7,350	76.7	49,022

Baker Lovick wins

(Continued from S-3)

der sides by the glue gun.

A woman then climbs the ladder and stands on a scaffold. Her weight is shown as 105 pounds. But a 265-pound man follows. The commercial closes with the words, "The new heat and glue system from Black & Decker."

"The advertising had a big impact on sales," said Barry Bousfield, Black & Decker's advertising and sales promotion manager. "Just those five products that were advertised sold out."

Mr. Damast also wrote commercials for Chrysler Canada, but unlike the Black & Decker spots, these 30-second commercials barely showed the product.

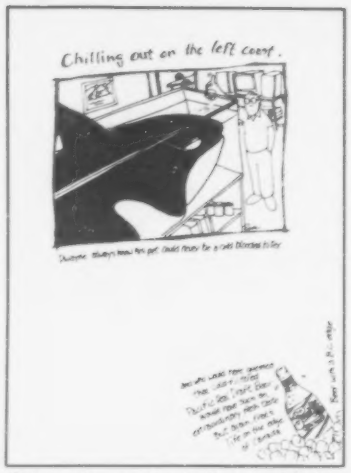
One Chrysler commercial starts with the blue and white German highway sign "Autobahn" on the screen. There's the sound of a speeding car, then the flash of a red automobile whizzing by. There are pastoral shots of the countryside, close-ups of the medians, a shot of an overpass.

As the unrecognizable red car zooms, the voice-over says: "You are watching one of the most remarkable engines on the German Autobahn. The 2.5-liter multipoint E-F-I turbo with two balance shafts. This outstanding piece of technology is shared by only two manufacturers. One of them is Porsche. The other is Chrysler. Catch it, if you can."

The spot closes with what is now one of the best-known shots in Canada. In front of a setting sun, Chrysler cars, trucks and vans emerge on the crest of two hills. There's a synthesizer and guitar "power chord," and then the slogan, "Chrysler Canada—changing the landscape."

Mr. Damast, along with Senior Art Director Bernard Romano, created the end shot, which is known around Baker Lovick simply as "that shot."

"I think the phrase was first coined by a GM executive when he saw it at a recording studio one day," Mr. Damast said. "Somebody told us about it, and ever since that time we refer to it as 'that shot.' " Mr. Damast was inspired by old Western movies' shots of Indians on horses appearing on a hill.



Offbeat humor is a hallmark of Baker Lovick's creative.

Baker Lovick also used humor effectively in a John Deere commercial where just about everything goes wrong.

The spot starts with a ringing alarm clock. A hand reaches over to turn it off and hits the clock, which falls to the floor. The sound of something breaking is heard.

A bathrobe-clad man then appears before a bathroom sink. The faucet breaks; a stream of water gushes into his face. His electric toothbrush goes haywire and the brush flies off the handle.

The hapless man is next seen opening his front door, just in time to be struck on the forehead by a flying newspaper. Back in the bathroom, an electric razor snags the skin on his cheek.

When the man opens his garage door, a smile flickers across his face as he spots a lawn tractor sitting in a ray of sunlight. The voice-over: "When you find something in life that works as well or lasts as long as a John Deere lawn and garden tractor, buy it."

While spots like these have made Baker Lovick a hot shop, it wasn't always the case.

In 1971, the agency became Baker Lovick with the merger of Baker Advertising and James Lovick Ltd.

A year later, Baker Lovick bought Grant International, an agency laden with debt. As a result, Baker Lovick lost the backing of BBDO, which had owned 35% of Baker Advertising. Starting in 1973, unprofitable offices were sold, with the last chunk gone by 1975. In 1978, BBDO repurchased 35% of Baker Lovick and later increased its share to 49%.

Then Baker Lovick developed an image problem.

"Baker Lovick was always a well-known agency, a very well-managed agency." Mr. Mills said. "But it didn't have a very high profile as an agency and it didn't have a terribly good creative reputation, whether that was right or wrong.

"This is a fashion business in a way. You're either hot or you're not. And a lot of people want to work with an agency that is fashionable. And Baker Lovick in that context was not all that fashionable."

When he came on board, Mr. Mills chose to tackle the problem through the creative process. And since the arrival of Mr. Damast, he said, "the whole level of the work has just lifted dramatically."

Baker Lovick has "made huge leaps forward creatively," said Allen Rosenshine, BBDO Worldwide chairman-ceo. "Really I think they've become a major player in our network in two stages. The first is in the general management area in Peter Mills . . . (who) energized the agency and has been building relationships with U.S. shared brands. The second is Peter's revitalization of creative," which Mr. Rosenshine called "superb."

Past winners: International

1989—Contrapunto, Spain
1988—DDB Needham, U.K.
1987—Dentsu, Japan
1986—Mojo MDA, Australia
1985—Lowe Howard-Spink Marschalk, U.K.
1984—Prins, Meijer, Stamenkovits & van Walbeek, Netherlands

In developing advertising, Mr. Mills said, the agency relies heavily on research.

Campaign planning was used effectively in a commercial for the British Columbia Lottery Corp.'s game called Punto, in which people try to pick the winners of sports events.

While people love to win fabulous prizes, just the fun of picking a winner was in itself a big drawing card, the agency found. The result of that research was a 30-second spot called "Cool Guy."

Opening shot: A man in a white dress shirt and conservative tie calmly says, "I play Punto because it adds a little fun to weekend hockey games." Cut away to the same man, now sloppily dressed, his nose inches away from a TV screen, screaming in wild abandon.

The conservative counterpart returns to say, "Excited? I wouldn't say I get excited." Cut to the man's living room. He's now doing a little victory dance.

Back to the calm, conservative chap: "I guess there's a certain pride when you pick a winner," he says. Cut to the wild man, now swinging his hips and chanting, "Who's bad? I'm bad." A woman rolls her eyes in exasperation.

The conservative man says, "Sometimes you lose." The wild man rips up his Punto ticket and throws it into the roaring fireplace.

"Sometimes you win," the conservative man says, a slight smile marking his first real emotion. Cut again. The wild man is now blowing on the burning ticket he pulled from the fireplace. "Hey, it's only a game," says the conservative man as his wild side, chanting "Yes, yes," smashes a fist onto a table, turning over a candy bowl. "Nice move, George," says his wife.

Peter Stringham, general manager of the Vancouver office, said some of the agency's best work, such as "Cool Guy," is being done by longtime employees, such as Group Creative Head Steve Brook and Senior Art Director Doug Smith.

"There was real talent in this shop," he said. "They just needed the opportunity to shine; [and once the opportunity came,] boy, it didn't take them any time." □

Agency

(Continued from Page S-3)

striving to protect profits, chipped away still more at budgets, changed marketing plans, postponed new-product efforts, altered media schedules to use new promotional options, went after more stringent compensation deals and "managed" assets by combining, shutting down or unloading divisions and entire companies. They generally rearranged agency/client relationships as never before in advertising history.

Also, recessions historically lead clients to demand more "steak," less "sizzle," less break-the-mold creativity, and 1990 was no different.

On the receiving end of this bad-news bombardment, agencies had to remain focused on satisfying their more demanding clients. Meanwhile, they had to work harder just to manage their own business, reward and retain key creative and account people, seek out new-business prospects and mount campaigns to reel them in, and build stronger creative departments. All this while somehow trimming payroll and overhead costs to compensate for reduced revenue flow and profitability and developing proficiency in such areas as sales promotion and direct response marketing.

Some were distracted by complex financial negotiations involving agency principals and possible buyers. Under such trying conditions, they were hard pressed to nurture a creative spark, and if they fell short of adding new excitement and brightness to their work, it wasn't for lack of trying.

There were simply too many distractions to overcome.

Perhaps the real lesson is that when no one shop emerges as Agency of the Year, when it takes all their strength and energy just to survive the roughest of years, then in a sense they're all winners. □

IF YOU THOUGHT PARK BENCHES WERE ST. PETERSBURG'S MOST POPULAR SEATS. . .

You'd better sit down for this.

While St. Petersburg — and the entire Tampa Bay area — was once considered a sleepy place, full of retirees, this is no longer true. In fact, the volume of new, young residents arriving in the St. Petersburg area has lowered the city's median age by nearly eight years since 1980.

So it's not surprising that some of the best seats in town are now those in Tampa Bay's performing arts centers. Thousands of people enjoy the area's diverse cultural offerings, including the world-renowned Salvador Dali Museum, the Florida Orchestra, dozens of art galleries, and a wide variety of professional dance and theater groups.

And it's not surprising either that Tampa Bay keeps up with the Times. The St. Petersburg Times, Tampa Bay's largest newspaper, beats the Tampa Tribune in circulation by more than 75,000 papers daily and nearly 77,500 on Sunday.*

So sit up and take notice of Tampa Bay. Call 1-800-333-7505 for the latest information on this thriving market and the newspaper that serves it best.

*Source: ABC Audit Reports for 12 months ending 12/31/89.

St. Petersburg Times
Tampa Bay's Largest Newspaper

Officers:
Andrew J. McKelvey, pres; Paul M. Camara, sr vp.
Headquarters:
Telephone Marketing Programs
1633 Broadway
New York, N.Y. 10019
Phone: 212-977-4200
Fax: 212-956-2142

RANK: 38

Armando Testa Group Worldwide

Turin, Italy
Gross income: **$63.3** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$63.3	$50.5	25.3
Volume	$481.8	$360.5	33.7
Employees	499	NA	NA
Offices	20	13	53.8
U.S.	**1990**	**1989**	**% chg**
Gross income	$0.6	$1.6	(60.4)
Volume	$4.2	$10.5	(59.7)
Employees	12	18	(33.3)
Offices	1	1	0.0

Billings by U.S. office city	Billings
Armando Testa Advertising, New York	4.2

Billings by European office city, equity	Billings
Simons Palmer Denton Clemmen & Johnson, London(MJ)	35.4
Gruppo Armando Testa, Turin(MJ)	463.9
Dayax Testa International, Barcelona(MN)	26.3
154-Testa International, Paris(MN)	12.7

Notes: Dollars are in millions. Armando Testa totals represent its equity in gross income and billings in agencies listed. Apart from the parent shop in Turin, Testa shops are 51%-owned or less. Each is shown at 100% of billings, however. Testa did not include returns from Hager-Testa International, Vienna; Eiler & Riemel Testa International, Munich; and Vjesnik-Testa International, Zagreb. Equity in Dayax Testa was cut to 40% from 100% in 1989.
Officers:
Marco Testa, pres-ceo; Eugenio Bona, exec vp-coo
Headquarters:
Armando Testa Group Worldwide
Via Washington 17
20146 Milan, Italy
Phone: 392-480-821
Fax: 392-480-08206

RANK: 18

Tokyu Agency

Tokyo
Gross income: **$170.3** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$170.3	$165.7	2.8
Volume	$1,387.0	$1,322.7	4.9
Employees	1,017	922	10.3
Offices	6	7	(14.3)

Notes: Dollars are in millions. The Japanese yen's 7.1% slide against the dollar cut into Tokyu's year-to-year growth in dollars. Advertising Age treats exchange rates on an historic basis.
Officers:
Mamoru Miura, vice chmn; Tohru Maeno, pres.
Headquarters:
Tokyu Agency
4-8-18 Akasaka, Minato-ku
Tokyo 107, Japan
Phone: 813-3404-5321
Fax: 813-3401-7198

RANK: 28

Wells, Rich, Greene

New York
Gross income: **$105.0** million

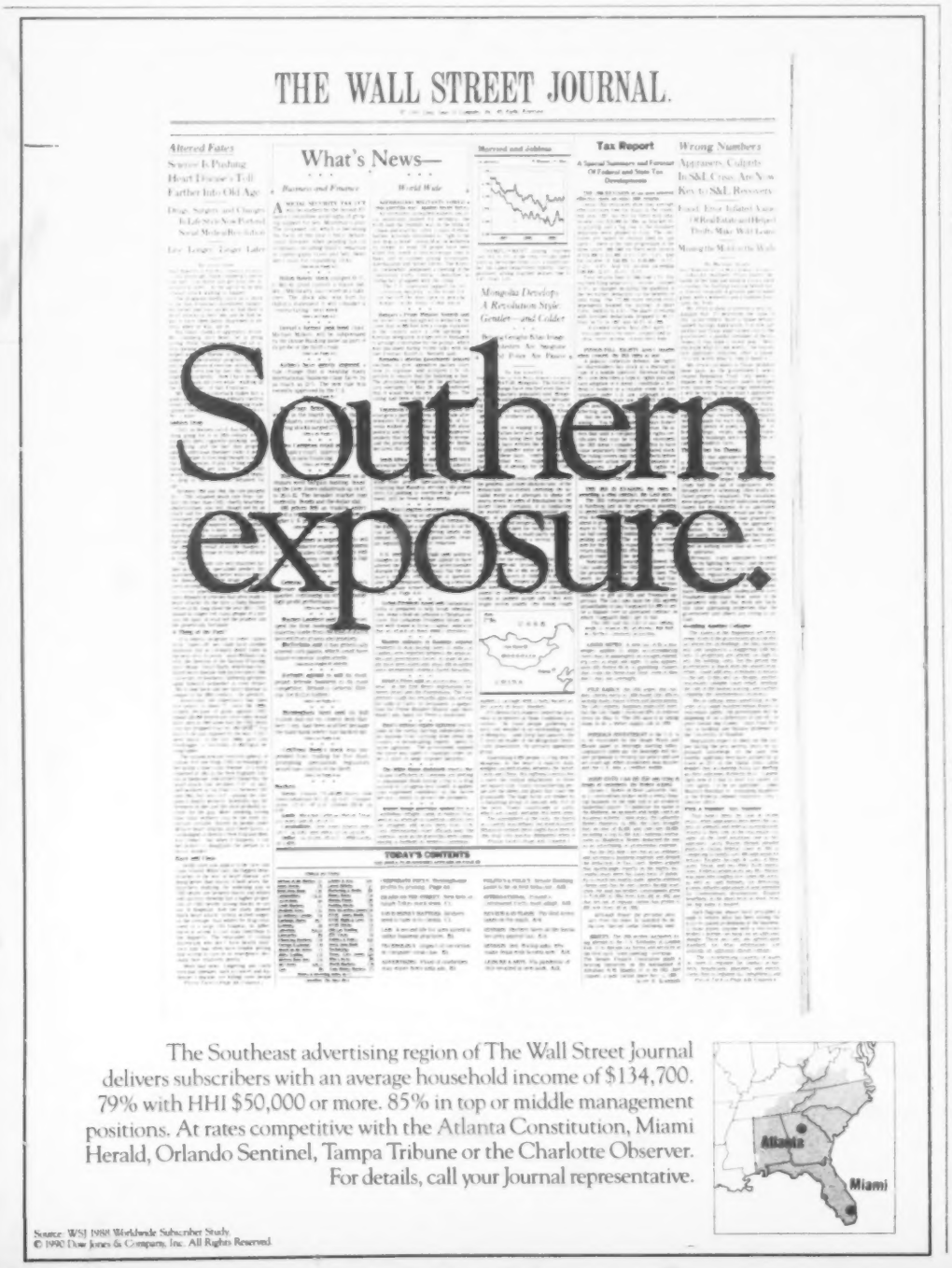
Organization totals

U.S.	1990	1989	% chg
Gross income	$105.0	$95.0	10.5
Volume	$845.0	$765.0	10.5
Employees	699	860	(18.7)
Offices	5	5	0.0

Notes: Dollars are in millions. WRG sold 40% of its equity to BDDP Group, Paris, in early 1990. WRG's 1989 results exclude returns from Gardner Advertising, St. Louis, which folded during that year.
Officers:
Kenneth Olshan, chmn-ceo; Charlie Moss, vice chmn-corp creative dir; Mary Moore, vice chmn-chief creative officer
Headquarters:
Wells, Rich, Greene
9 West 57th St
New York, N.Y. 10019
Phone: 212-303-5000
Fax: 212-751-5241

Agencies ranked Nos. 51-55

Hal Riney & Partners finished No. 51 among the world's largest advertising organizations at $45 million gross income, followed by Kyoto Advertising Co. and Nihon Keizai Advertising, both Tokyo agencies, at $42 million, and McCaffrey & McCall at $41.3 million and Jordan, McGrath, Case & Taylor at $41 million.



The Southeast advertising region of The Wall Street Journal delivers subscribers with an average household income of $134,700. 79% with HHI $50,000 or more. 85% in top or middle management positions. At rates competitive with the Atlanta Constitution, Miami Herald, Orlando Sentinel, Tampa Tribune or the Charlotte Observer. For details, call your Journal representative.

Source: WSJ 1988 Worldwide Subscriber Study.
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Foreign agencies (continued)

Agency, city, equity	Gross income	% chg	1990 Billings
Spain (continued)	**Exchange rates: 0.009740 0.008420 peseta**		
TBWA Espana, Madrid/Barcelona **MJ**	6,262	15.5	41,758
Publicis FCB, Madrid **MJ**	5,532	21.7	38,960
GGK Spain, Barcelona/Madrid **MJ**	3,508	(52.1)	23,581
Kobs & Draft, Madrid **MJ**	2,400	32.2	16,000
Bozell Espana, Madrid **MJ**	2,175	21.9	14,222
Conquest Europe Spain, Madrid **MJ**	1,480	21.8	15,865
Medicus Intercon, Madrid/Barcelona **MJ**	208	(72.3)	1,772

Notes: Ruiz Nicoli part of Eurocom; Lowe & Partners Iberia gross income for both years AA estimates. McCann-Erickson Group also includes M-E Clarin, Iniciativas, Epic-Spain and M-E Universal. Young & Rubicam Espana includes Wunderman, Cato Johnson and Burson-Marsteller; Contrapunto 30% owned by BBDO; TAPSA/Ayer includes Equipo Tres, CICM and Ayer Direct; CID 25% owned by FCA! Group Paris; Arge majority-owned by Publicis FCB.

Sri Lanka	Exchange rates: 0.02479 0.025000 rupee -0.8%		
Grant Bozell Sri Lanka, Colombo **MN**	575	31.2	2,745
Thompson Lanka, Colombo **MN**	543	32.0	3,621
Minds Lanka, Colombo **MN**	101	29.0	457

Notes: Minds Lanka 40% owned by Bozell.

Sweden	Exchange rates: 0.168070 0.155950 kroner 7.8%		
Hall & Cederquist/Young & Rubicam, Stockholm **MJ**	20,956	5.4	139,433
Grey Communications, Stockholm **MJ**	18,488	24.8	123,313
BSB Sweden, Stockholm **MJ**	13,446	23.2	89,581
McCann-Erickson Sweden, Stockholm **MJ**	7,636	(4.5)	50,932
Intermarco/FCB, Stockholm **MJ**	6,720	(20.5)	44,856
Lintas:Stockholm, Stockholm **MJ**	5,394	28.9	35,976
HLR & Co./BBDO Reklambyra, Stockholm **MN**	5,391	3.9	35,960
Ehrenstraehle & Co., Stockholm **MJ**	4,292	51.8	28,615
Blanking AB, Stockholm **NE**	4,151	(2.1)	48,152
Carlsson & Broman/DDB Needham, Stockholm **MJ**	3,836	(11.6)	25,585
Welinder AB, Stockholm **NA**	3,664	25.6	28,101
DMB&B, Stockholm **MJ**	3,576	2.8	32,673
RSCG Hawi, Stockholm **MJ**	3,025	76.3	19,343
J. Walter Thompson Co., Stockholm **MJ**	2,732	28.9	18,223
SSBC, Stockholm **MJ**	2,673	(9.8)	17,819
Ogilvy & Mather 2, Stockholm **MJ**	2,608	89.4	17,986
Saatchi & Saatchi Advertising, Stockholm **MJ**	2,424	(25.6)	15,150
Eurocom Sweden, Stockholm **MJ**	2,260	9.9	15,0000
Serrander/SDF Alliance, Stockholm **NE**	706	NA	4,706
Conquest Europe Sweden, Stockholm **MJ**	610	1.8	4,168
K&D Bond International, Stockholm **MJ**	345	43.8	2,300
Svensk Reklamtjaenst/Tegnergruppen, Stockholm **NE**	340	16.4	2,269

Notes: Hall & Cederquist/Y&R includes Wunderman, Cato Johnson and Burson-Marsteller; Lintas:Stockholm includes Initiative Media; Svensk Reklamtjaenst affiliated with Bozell; Serrander SDF Alliance figures only cover 6 months in 1990; Blanking affiliated with Collett Dickenson Pearce.

Switzerland	Exchange rates: 0.715300 0.620050 Swiss franc 15.4%		
Advico Young & Rubicam, Zurich **MJ**	23,552	45.9	171,432
GGK Basel, Basel/Geneva/Zurich/Kuesnacht **MJ**	17,182	26.5	121,951
ASGS/BBDO, Zurich **MN**	12,666	17.1	84,442
Wirz Advertising, Zurich **MJ**	12,518	18.1	83,547
McCann-Erickson Switzerland, Zurich **MJ**	12,005	35.5	80,073
Eurocom Switzerland, Zurich **MJ**	11,802	20.5	78,683
Publicis FCB, Zurich **MJ**	10,944	25.0	73,154
Marti, Ogilvy & Mather, Zurich **MJ**	6,888	24.7	47,501
Lintas:Zurich, Zurich **MJ**	6,821	20.3	45,494
Impuls, Zurich **NE**	6,388	22.2	42,918
Grey, Geneva/Zurich **MN**	5,486	10.0	36,594
SSBC, Nyon/Zurich **MJ**	4,213	30.7	28,088
DDB Needham, Kuesnacht/Zurich **MJ**	3,870	9.5	25,812
J. Walter Thompson Co., Zurich **MJ**	3,826	5.3	25,520
TBWA, Zurich **MJ**	3,336	8.7	22,238
Bozell SA, Geneva **NE**	3,015	9.5	18,893
Cash RSCG, Zurich **MJ**	2,790	116.2	18,598
Creative Business, Geneva/Zurich **MN**	2,100	NA	14,008
Quadri & Partners, Zurich **NA**	1,518	33.4	10,121
Peter Berger, Zurich **NA**	1,316	10.6	8,777
Mueller & Partner Alliance, Zurich **MN**	572	281.4	3,791
Conquest Europe Switzerland, Zurich **MJ**	395	27.4	2,757
Rogivue Consulting, Laax-Cons **NA**	204	32.3	1,323

Notes: Advico Young & Rubicam includes Wunderman, Cato Johnson and Burson-Marsteller; McCann-Erickson also includes Unimedia and Services; Creative Business part of Paris-based RSCG; Impuls affiliated with Saatchi & Saatchi Advertising.

Taiwan	Exchange rates: 0.037770 0.036650 Taiwan dollar 3.1%		
Ogilvy & Mather, Taipei **MJ**	8,116	123.0	55,969
United Advertising, Taipei **NA**	6,270	47.7	45,702
McCann-Erickson Taiwan, Taipei **MJ**	5,724	(6.3)	38,176
J. Walter Thompson Co., Taipei **MJ**	4,253	52.6	29,083
Hwa Wei & Grey, Taipei **MN**	3,966	(14.1)	26,452
Bozell CCAA, Taipei **MN**	3,701	20.2	25,684
Saatchi & Saatchi Advertising, Taipei **MJ**	2,871	(4.4)	19,187
Lintas:Taiwan, Taipei **MJ**	2,787	13.3	18,590
Leo Burnett Co., Taipei **MJ**	2,775	(15.8)	18,503
International Advertising, Taipei **NA**	2,662	(3.5)	17,748
Target Advertising, Taipei **NE**	2,409	9.5	15,055
DIK-Ocean Advertising, Taipei **MJ**	2,325	(23.7)	19,376
Stentor BBDO, Taipei **MJ**	2,316	(0.4)	15,447
Golden Flower Alliance, Taipei **NE**	1,447	12.5	9,631
DDB Needham, Taipei **MJ**	1,403	(4.0)	9,360
Ball Partnership, Taipei **MJ**	1,284	(10.2)	8,565
Dentsu, Young & Rubicam Taiwan, Taipei **JV**	1,136	30.9	7,787
BSB Taiwan, Taipei **MJ**	858	35.2	4,929

Notes: Target Advertising affiliated with N W Ayer; International Advertising gross income figures for both years AA estimates.

Gross income and billings are U.S.$ in thousands.

RANK: 1

WPP Group

London

Gross income: **$2,715.0** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$2,715.0	$2,404.0	12.9
Volume	$18,095.0	$16,052.0	12.7
Employees	22,000	22,000	0.0
Offices	635	615	3.3
U.S.	**1990**	**1989**	**% chg**
Gross income	$1,330.0	$1,243.0	7.0
Volume	$8,953.0	$8,347.0	7.3

Notes: Dollars are in millions. WPP Group is a London-based holding company whose media advertising business, representing 68% of its returns, is concentrated in three trunk agencies, J. Walter Thompson Co., Ogilvy & Mather Worldwide and Scali, McCabe, Sloves. A fourth network, Conquest Europe, was set up in Europe to service the Alfa-Romeo account. Non-media advertising business is concentrated in a huge public relations arm that includes Hill & Knowlton, Carl Byoir & Associates and Ogilvy Public Relations Group among others; market research that includes MRB Group; and various graphics and design, incentive and motivation, audio-visual and video communications, and sales promotion divisions. WPP's totals comprising its ranking are a composite of its equity in gross income and billings in agencies listed in the profile. Totals also include holdings in non-media advertising businesses not listed. Breakouts for the tabular data summarizing results of JWT, O&M and SMS are on an equity basis. The breakout for individual shops in boldface is by 100% of billings.

Officers:
Martin Sorrell, ceo; Robert Lerwill, cfo; David Ogilvy, chmn.

Headquarters:
WPP Group
27 Farm St.
London W1X 6RD U.K.
Phone: 4471-408-2204
Fax: 4471-483-6819

J. Walter Thompson Co.

Worldwide	1990	1989	% chg
Gross income	$657.2	$595.0	10.5
Volume	$4,629.0	$4,198.5	10.3
Employees	6,437	6,587	(2.3)
Offices	178	166	7.2
U.S.	**1990**	**1989**	**% chg**
Gross income	$251.7	$235.1	7.1
Volume	$1,787.4	$1,642.0	8.9
Employees	2,049	2,045	0.2
Offices	45	44	2.3

Billings by U.S. office city	Billings
JWT Direct, New York	20.0
JWT Healthcare, New York	40.0
J. Walter Thompson USA, New York	500.0
J. Walter Thompson USA, Los Angeles	160.0
J. Walter Thompson USA, Atlanta	58.0
J. Walter Thompson USA, San Francisco	165.0
J. Walter Thompson USA, Detroit	462.0
J. Walter Thompson USA, Chicago	382.4
Thompson Recruitment Advertising, Los Angeles	149.0

Billings by Asian office city, equity	Billings
Adforce-JWT, Jakarta(NE)	17.7
Contract Advertising, Bombay(MN)	15.5
Hindustan Thompson Associates, Bombay(NE)	72.7
J. Walter Thompson Australia, Sydney(MJ)	101.2
J. Walter Thompson Co., Kuala Lumpur(MJ)	17.0
J. Walter Thompson Co., Taipei(MJ)	29.1
J. Walter Thompson Co., Hong Kong(MJ)	62.7
J. Walter Thompson Co., Bangkok(MJ)	15.6
J. Walter Thompson Japan, Tokyo(MJ)	218.9
J. Walter Thompson Korea, Seoul(MJ)	4.7
J. Walter Thompson New Zealand, Wellington(MJ)	21.2
J. Walter Thompson Singapore, Singapore(MJ)	21.7
Thompson Lanka, Colombo(MN)	3.6

Billings by European office city, equity	Billings
Conquest Europe Austria, Vienna(MJ)	1.9
Conquest Europe Belgium, Brussels(MJ)	6.8
Conquest Europe France, Paris(MJ)	14.7
Conquest Europe Germany, Frankfurt(MJ)	6.2
Conquest Europe Greece, Athens(MJ)	2.3
Conquest Europe Italy, Milan(MJ)	41.8
Conquest Europe Netherlands, Amsterdam(MJ)	6.6
Conquest Europe Spain, Madrid(MJ)	15.9
Conquest Europe Sweden, Stockholm(MJ)	4.2
Conquest Europe Switzerland, Zurich(MJ)	2.8
Haupt-Stummer/J. Walter Thompson Co., Vienna(MJ)	38.4
J. Walter Thompson Co., Stockholm(MJ)	18.2
J. Walter Thompson Co., Frankfurt(MJ)	183.1
J. Walter Thompson Co., Paris(MJ)	99.3
J. Walter Thompson Co., Copenhagen(MJ)	20.2
J. Walter Thompson Co., London(MJ)	654.5
J. Walter Thompson Co., Madrid(MJ)	310.2
J. Walter Thompson Co., Zurich(MJ)	25.5
J. Walter Thompson Co./Finland Oy, Helsinki(NE)	19.0
J. Walter Thompson Italiana, Milan(MJ)	309.4
J. Walter Thompson Publicidade, Lisbon(MJ)	45.0
LansdownEuro, London(MJ)	108.6
Manajans/Thompson, Istanbul(MN)	28.4
Partner/J. Walter Thompson Co., Brussels(MJ)	53.9
PPGH/JWT Groep, Amsterdam(MJ)	134.0
Schjaerven/J. Walter Thompson Co., Oslo(NE)	11.9
Spot/Thompson Advertising, Athens(MN)	51.8

Billings by Latin American office city, equity	Billings
APCU de Costa Rica, San Jose(MN)	2.6
APCU de El Salvador, San Salvador(MN)	3.9
APCU de Honduras, Tegucigalpa(MN)	0.5
APCU de Nicaragua, Managua(MN)	0.0
APCU de Panama, Panama City(MN)	3.0
APCU Thompson Asociados, Guatemala City(MN)	2.5
Atlas Publicidad, Bogota(NE)	14.0
A.M.W., Santiago(MN)	19.1
CBBA, Sao Paulo(MJ)	32.3
Corporacion/Thompson, Montevideo(NE)	5.6
De la Cruz & Goachet, San Juan(MN)	19.0
J. Walter Thompson, Asuncion(MJ)	1.0
J. Walter Thompson Argentina, Buenos Aires(MJ)	33.0
J. Walter Thompson Chilena, Santiago(MJ)	25.0
J. Walter Thompson de Mexico, Mexico City(MJ)	50.2
J. Walter Thompson de Venezuela, Caracas(MJ)	30.8
J. Walter Thompson Peruana, Lima(MJ)	70.4
J. Walter Thompson Publicidade, Sao Paulo(MJ)	90.4

Billings by Latin American office city, equity	Billings
Marti, Flores, Prieto & Wachtel, San Juan(MN)	56.5
Noriop Thompson Asociados, Guayaquil(MN)	14.8
Thompson-AIFE-MFP, Santo Domingo(MN)	0.2

Billings by other offices city, equity	Billings
Enterprise Advertising, Toronto(MJ)	17.5
J. Walter Thompson Co., Toronto(MJ)	138.3
J. Walter Thompson Co., Johannesburg(MN)	24.4

Officers:
Burt Manning, chmn-ceo; Peter Schweitzer, vice chmn-agency operations; William C. Thompson Jr., vice chmn-client operations.

Headquarters:
J. Walter Thompson Co.
466 Lexington Ave.
New York, N.Y. 10017
Phone: 212-210-7000
Fax: 212-210-8010

Thompson Recruitment Advertising

U.S.	1990	1989	% chg
Gross income	$22.3	$21.7	3.1
Volume	$149.0	$144.0	3.5
Employees	310	360	(13.9)
Offices	20	20	0.0

Officers:
Kim Macalister, pres.

Headquarters:
Thompson Recruitment
6500 Wilshire Blvd.
Los Angeles, Calif. 90048
Phone: 213-655-4262
Fax: 213-655-1276

Brouillard Communications

U.S.	1990	1989	% chg
Gross income	$11.1	$9.7	14.3
Volume	$74.3	$65.0	14.3
Employees	90	79	13.9
Offices	1	1	0.0

Officers:
James H. Foster, pres-ceo.

Headquarters:
Brouillard Communications
420 Lexington Ave.
New York, N.Y. 10017
Phone: 212-867-8300

Ogilvy & Mather Worldwide

Worldwide	1990	1989	% chg
Gross income	$653.7	$592.6	10.3
Volume	$4,563.7	$4,089.0	11.6
Employees	8,594	6,390	34.5
Offices	243	232	4.7
U.S.	**1990**	**1989**	**% chg**
Gross income	$229.7	$224.1	2.5
Volume	$1,606.1	$1,553.7	3.4
Employees	2,169	2,148	1.0
Offices	32	34	(5.9)

Billings by U.S. office city	Billings
Ogilvy & Mather, Honolulu	19.9
Ogilvy & Mather, Chicago	486.0
Ogilvy & Mather, Los Angeles	161.4
Ogilvy & Mather, New York	755.0
Ogilvy & Mather, Atlanta	47.5
Ogilvy & Mather, Houston	125.0

Billings by other offices city, equity	Billings
Ogilvy & Mather, Nairobi(MJ)	5.2
Ogilvy & Mather Rightford, Cape Town(MN)	101.6

Billings by Asian office city, equity	Billings
Korad Ogilvy & Mather, Seoul(MN)	187.0
Ogilvy & Mather, Hong Kong(MJ)	97.1
Ogilvy & Mather, Taipei(MJ)	56.0
Ogilvy & Mather, Bombay(MN)	31.3
Ogilvy & Mather, Wellington(MJ)	43.3
Ogilvy & Mather, Melbourne(MJ)	104.9
Ogilvy & Mather, Bangkok(MJ)	62.9
Ogilvy & Mather, Singapore(MJ)	44.1
Ogilvy & Mather, Kuala Lumpur(MJ)	31.7
Olbes, Ogilvy & Mather, Manila(MN)	9.5
P.T. Indo Ad, Jakarta(NE)	17.5

Billings by European office city, equity	Billings
Bassat, Ogilvy & Mather, Madrid(MJ)	266.4
Bold Advertising/Ogilvy & Mather, Athens(MN)	36.8
HHD Ogilvy & Mather, Brussels(MJ)	108.3
Livraghi, Ogilvy & Mather, Milan(MN)	138.6
Marti, Ogilvy & Mather, Zurich(MJ)	47.5
Moran, Ogilvy & Mather, Istanbul(MN)	24.7
Ogilvy & Mather, Copenhagen(MJ)	35.0
Ogilvy & Mather, Vienna(MJ)	59.3
Ogilvy & Mather, Oslo(MJ)	36.7
Ogilvy & Mather, Amsterdam(MJ)	161.7
Ogilvy & Mather, Budapest(MJ)	5.8
Ogilvy & Mather, Lisbon(MJ)	37.3
Ogilvy & Mather, Paris(MJ)	340.7
Ogilvy & Mather, London(MJ)	657.7

Billings by European office city, equity	Billings
Ogilvy & Mather 2, Stockholm(MJ)	18.0
Ogilvy & Mather Germany, Frankfurt(MJ)	350.2
Ogilvy & Mather Oy, Helsinki(MJ)	18.4
Tisza, Ogilvy & Mather, Moscow(MN)	NA
Wilson Hartnell Group, Dublin(MJ)	56.9

Billings by Latin American office city, equity	Billings
Centrum Ogilvy & Mather, Bogota(MN)	7.2
Corpa, Caracas(MN)	56.4
Modernoble Publicidad, Guatemala City(MN)	0.7
Northcote & Asociados, Santiago(MN)	11.6
Ogilvy & Mather, Buenos Aires(MJ)	18.6
Panamericana Ogilvy & Mather, Mexico City(MJ)	11.9
Standard, Ogilvy & Mather, Sao Paulo(MJ)	207.3
Veritas/Ogilvy & Mather, Guayaquil(NE)	13.5

Billings by Canadian office city, equity	Billings
Ogilvy & Mather, Toronto(MJ)	163.0

Officers:
Graham Phillips, chmn; Alexander Brody, pres.

Headquarters:
Ogilvy & Mather Worldwide
309 W. 49th St.
New York, N.Y. 10019
Phone: 212-237-4000
Fax: 212-237-5123

Ogilvy & Mather Direct

Worldwide	1990	1989	% chg
Gross income	$121.6	$107.1	13.5
Volume	$811.1	$739.0	9.8
Employees	1,406	1,335	5.3
Offices	49	46	6.5
U.S.	**1990**	**1989**	**% chg**
Gross income	$53.1	$44.2	20.1
Volume	$354.2	$305.0	16.1
Employees	539	488	10.5
Offices	10	9	11.1

Officers:
Jerome Pickholz, chmn-ceo; Stanley Winston, vice chmn-exec creative dir; Rochelle Lazarus, pres-coo; Pam Reese, sr vp-gm, N.Y.

Headquarters:
Ogilvy & Mather Direct
309 W. 49th St.
New York, N.Y. 10019
Phone: 212-237-4000
Fax: 212-237-5123

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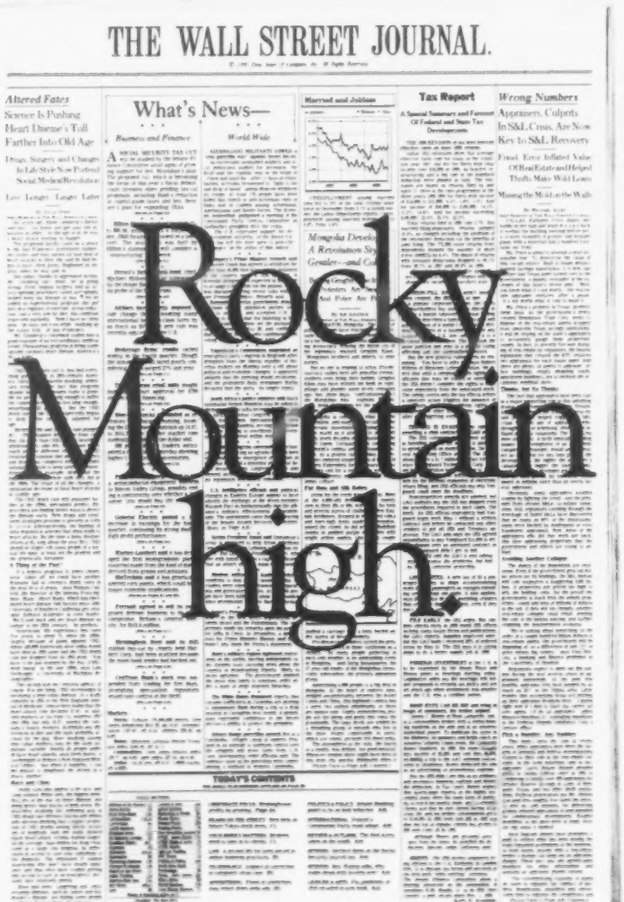

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The Rocky Mountain advertising region of The Wall Street Journal delivers subscribers with an average household income of $115,300. 73% with HHI $50,000 or more. 84% in top or middle management positions. At rates competitive with the Denver Post or the Rocky Mountain News. For details, call your Journal representative.

Source: SMRB 1990 Rocky Mountain Study.
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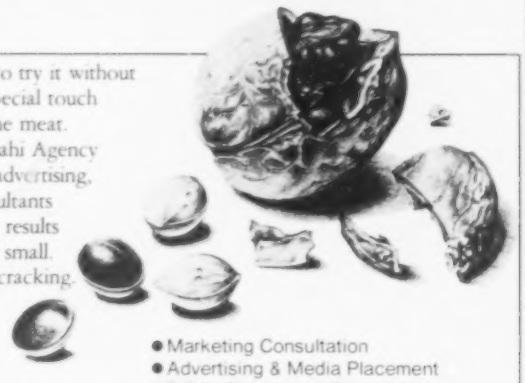

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The Houston advertising region of The Wall Street Journal delivers subscribers with an average household income of $177,800. 86% with HHI $50,000 or more. 83% in top or middle management positions. At rates competitive with the Houston Post or the Houston Chronicle. For details, call your Journal representative.

Source: WSJ 1990 Worldwide Subscriber Study
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Foreign agencies (continued)

Agency, city, equity	Gross income	% chg	1990 Billings
Thailand Exchange rates: 0.041630 0.039130 baht 6.4%			
Lintas:Thailand, Bangkok **MJ**	9,374	30.2	62,527
Ogilvy & Mather, Bangkok **MJ**	9,120	51.6	62,895
Spa Advertising, Bangkok **NA**	5,320	58.3	26,640
Far East Advertising, Bangkok **MN**	4,894	47.7	32,641
Prakit & FCB, Bangkok **MN**	4,608	68.2	25,602
Leo Burnett Ltd., Bangkok **MJ**	4,056	43.9	27,040
McCann-Erickson Thailand, Bangkok **MJ**	3,203	47.8	21,364
Dentsu, Young & Rubicam Thailand, Bangkok **JV**	3,101	46.8	20,683
J. Walter Thompson Co., Bangkok **MJ**	2,641	34.0	15,561
Thai Hakuhodo, Bangkok **MN**	1,800	28.8	10,618
Amex Team Advertising, Bangkok **NE**	1,764	54.7	11,766
Ball Partnership, Bangkok **MJ**	1,711	136.7	11,408
Dai-Ichi Kikaku Thailand, Bangkok **MJ**	1,553	4.2	7,763
Saatchi & Saatchi Advertising, Bangkok **MJ**	1,399	(53.6)	9,325
DDB Needham, Bangkok **MN**	1,255	42.6	8,372
Synergie Tokyu DMB&B Co., Bangkok **MN**	738	(33.7)	5,020
Grey Thailand, Bangkok **MN**	730	(35.2)	4,871
BSB Thailand, Bangkok **MJ**	600	672.2	4,002
Hakuhodo Bangkok, Bangkok **MN**	314	14.2	1,547
Mayford Ltd., Bangkok **NA**	225	6.5	1,350

Notes: Amex Team affiliated with Bozell; Far East Advertising 10.02% owned by DDB Needham

Trinidad Exchange rates: 0.235294 0.235290 Trinidad dollar 0.0%			
McCann-Erickson Trinidad, Port of Spain **MJ**	2,172	5.9	14,487
Lonsdale/SSA, Port of Spain **MN**	982	3.6	6,550
Hernandez/FCB, Port of Spain **MN**	496	(13.7)	3,307
Turkey Exchange rates: 0.000398 0.000500 lira -20.4%			
Cenajans Grey, Istanbul **MN**	7,673	56.6	51,182
Guzel Sanatlar, Istanbul **NE**	6,677	93.6	41,730
Manajans/Thompson, Istanbul **MN**	5,190	32.9	28,439
McCann-Erickson Pars, Istanbul **MJ**	4,611	48.5	30,755
Ajans Ada, Istanbul **NA**	4,295	33.1	28,109
Moran, Ogilvy & Mather, Istanbul **MN**	3,584	69.6	24,720
Yaratim/Publicis FCB, Istanbul **MN**	3,582	288.9	23,892
Young & Rubicam Turkey, Istanbul **MJ**	2,795	138.9	18,471
Grafika:Lintas, Istanbul **MN**	2,726	39.9	18,184
RPM/Radar, Istanbul **MN**	2,661	55.3	17,754
Merkez Ajans Reklam, Istanbul **NA**	2,099	33.9	11,250
Markom/Leo Burnett, Istanbul **MN**	1,727	88.1	11,512
Ajans Ekol Reklam Hizmetleri, Istanbul **NA**	1,143	55.2	8,791
Admar Reklam, Istanbul **NA**	1,075	123.2	8,856
Birlesik Reklamcilar, Istanbul **NA**	1,019	20.5	8,124
Yorum Tanitim Basim, Istanbul **NA**	995	32.7	10,467
Ilancilik Reklam Ajansi, Istanbul **NA**	983	55.1	8,870
Rota Advertising, Istanbul **NE**	969	79.0	8,687
Birikim Reklamcilik, Istanbul **NA**	864	167.6	6,234
Ira Reklam Ajansi, Istanbul **NA**	856	99.4	7,329
Penajans DMB&B Ticaret, Istanbul **MN**	832	60.7	7,234
Ajans Ultra Reklam Hizmetleri, Istanbul **NA**	776	63.4	5,106
Prizma, Istanbul **NA**	724	529.9	5,831
Nata Reklamcilik, Istanbul **NA**	716	23.0	4,217
Repro Reklam Ajansi, Istanbul **NA**	618	24.0	3,960
Era Tanitim ve Yayin Hizmetleri, Istanbul **NA**	609	44.4	5,118
Eurocom Turkey, Istanbul **MJ**	605	96.5	3,866
Reklamcilik Ticaret, Istanbul **NA**	584	81.6	4,055
Kampanya Reklam Hizmetleri, Istanbul **NA**	478	NA	4,378
Neo Reklamcilik, Istanbul **NA**	478	47.0	1,393
Parajans, Istanbul **NA**	292	(30.7)	3,172
Cozum Reklamcilik, Istanbul **NA**	224	85.1	2,409
A&D International, Istanbul **NA**	198	31.4	2,933
MS Advertising, Istanbul **NA**	198	NA	2,070

Notes: Rota Advertising affiliated with Backer Spielvogel Bates. RPM/Radar 30% owned by Collett Dickenson Pearce.

Uruguay Exchange rates: 0.000996 0.001900 peso -47.6%			
Corporacion/Thompson, Montevideo **NE**	840	2.8	5,600
McCann-Erickson Uruguay, Montevideo **MJ**	649	101.8	4,329
Grey Uruguay, Montevideo **MN**	358	14.3	2,390
U.S.S.R. Exchange rates: 0.18228 0.168000 ruble 8.5%			
Young & Rubicam/Sovero, Moscow **JV**	200	NA	1,332
DMB&B, Moscow **MJ**	75	NA	625
Novosti-McCann, Moscow **MJ**	0	NA	0
Tisza, Ogilvy & Mather, Moscow **MN**	0	NA	0
Venezuela Exchange rates: 0.021790 0.026880 bolivar -18.9%			
Corpa, Caracas **MN**	8,176	14.4	56,387
J. Walter Thompson de Venezuela, Caracas **MJ**	4,611	45.2	30,754
Leo Burnett Venezuela, Caracas **MJ**	4,457	18.8	29,716
ABC-McCann Publicidad, Caracas **MJ**	3,740	37.8	24,946
Fischer-Grey, Caracas **MJ**	2,332	(2.6)	15,551
FCB/Sibboney/Blance Uribe, Caracas **MJ**	2,280	(5.9)	15,208
AW/SSA, Caracas **MN**	1,976	10.2	13,172
SSB Oberay Quintero, Caracas **NE**	1,961	21.6	9,370
Franklin Whalte & Asociados, Caracas **NE**	1,597	18.6	10,653
PVA/BDO, Caracas **MN**	1,234	6.7	6,171
Vapro Publicidad, Caracas **NE**	693	13.8	5,774
DMB&B de Venezuela, Caracas **MN**	690	71.2	3,327

Notes: Corpa 19.9% owned by Ogilvy & Mather. Franklin Whalte & Asociados affiliated with Lintas. Vapro Publicidad affiliated with Bozell.

Scali, McCabe, Sloves

Worldwide	1990	1989	% chg
Gross income	$78.6	$79.9	(1.6)
Volume	$536.3	$501.2	7.0
U.S.	**1990**	**1989**	**% chg**
Gross income	$34.0	$41.9	(18.9)
Volume	$236.1	$283.3	(16.7)
Employees	1,172	1,468	(20.2)
Offices	13	16	(18.8)

Officers:
Marvin Sloves, chmn-ceo; Samuel Scali, worldwide creative dir.

Headquarters:
Scali, McCabe, Sloves
800 Third Ave.
New York, N.Y. 10022
Phone: 212-735-8000
Fax: 212-735-8418

Martin Agency

U.S.	1990	1989	% chg
Gross income	$25.3	$21.1	20.2
Volume	$155.2	$140.5	10.5

Officers:
Harry Jacobs, chmn; Donald Just, pres.

Headquarters:
Martin Agency
500 N. Allen Ave.
Richmond, Va. 23220
Phone: 804-254-3400
Fax: 804-254-8540

Fallon McElligott

U.S.	1990	1989	% chg
Gross income	$12.9	$16.0	(19.7)
Volume	$97.1	$131.3	(26.0)
Employees	147	145	1.4
Offices	1	1	0.0

Officers:
Patrick Fallon, chmn; Irv Fish, cfo; Steven Sjoblad, pres.

Headquarters:
Fallon McElligott
701 Fourth Ave. Ste. 1500
Minneapolis, Minn. 55415
Phone: 612-332-2445
Fax: 612-332-3013

RANK: 30

Yomiko Advertising

Tokyo
Gross income: **$102.9** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$102.9	$100.3	2.5
Volume	$795.6	$753.5	5.6
Employees	713	699	2.0
Offices	15	14	7.1

Notes: Dollars are in millions. The Japanese yen's 7.1% drop against the dollar affected Yomiko's year-to-year growth in dollars. AA maintains constant exchange rates. In yen, Yomiko grew 9.6%, compared to a 2.5% growth in dollars.

Officers:
Toshio Kuroki, pres; Yasumoto Amano, Makoto Toriyama, Ko Ogata, mg dirs.

Headquarters:
Yomiko Advertising
8-14 Ginza 1-chome, Chuo-ku
Tokyo 104, Japan
Phone: 813-3567-8111
Fax: 813-3564-6926

RANK: 6

Young & Rubicam

New York
Gross income: **$1,073.6** million

Organization totals

Worldwide	1990	1989	% chg
Gross income	$1,073.6	$925.6	16.0
Volume	$8,000.7	$6,652.0	20.3
Employees	11,133	10,473	6.3
Offices	324	322	0.6
U.S.	**1990**	**1989**	**% chg**
Gross income	$486.7	$435.9	11.7
Volume	$3,936.9	$3,290.6	19.6
Employees	3,159	3,091	2.2
Offices	65	61	6.6

Young & Rubicam

U.S.	1990	1989	% chg
Gross income	$216.6	$210.9	2.7
Volume	$2,112.3	$1,789.8	18.0
Employees	2,190	2,241	(2.3)
Offices	9	12	(25.0)
Billings by U.S. office city			**Billings**
Young & Rubicam, New York			1.6
Young & Rubicam, San Francisco			140.3
Young & Rubicam, Chicago			54.8
Young & Rubicam, Detroit			179.3
Y&R Ventures, New York			13.6
Arbelt/DBR, New York			4.5
Arthur E. Wilk Communications, Chicago			19.4
Burson-Marsteller, New York			764.2
Creswell, Munsell, Fultz & Zirbel, Cedar Rapids, Iowa			91.6
D/B-M USA (MN), New York			11.6
Landor, San Francisco			180.8
Lord Einstein O'Neill & Partners, New York(49%)			47.7
Lord, Dentsu & Partners, New York(50%)			226.2
Siva Associates, Cincinnati			29.1
Billings by African office city, equity			**Billings**
Michael Hogg/Young & Rubicam, Harare(MN)			10.8
Young & Rubicam South Africa, Johannesburg(MJ)			81.9
Young & Rubicam (Zambia), Lusaka(MJ)			2.5
Billings by Asian office city, equity			**Billings**
Young & Rubicam, Sydney(MJ)			206.3
Young & Rubicam New Zealand, Auckland(MJ)			14.3
Billings by European office city, equity			**Billings**
Advico Young & Rubicam, Zurich(MJ)			171.4
Geo/Young & Rubicam, Athens(MN)			12.5
Hall & Cederquist/Young & Rubicam, Stockholm(MJ)			139.4
PMSvW/Young & Rubicam, Amsterdam(MJ)			213.0
Scanoco-Young & Rubicam, Oslo(MJ)			88.3
Taucher, Young & Rubicam, Helsinki(MN)			89.2
Team/Young & Rubicam, Lisbon(MJ)			33.8
Young & Rubicam, Vienna(MJ)			60.3
Young & Rubicam, Frankfurt(MJ)			360.6
Young & Rubicam Belgium, Brussels(MJ)			64.7
Young & Rubicam Copenhagen, Copenhagen(MJ)			92.7
Young & Rubicam France, Boulogne(MJ)			523.2
Young & Rubicam Holdings, London(MJ)			777.5
Young & Rubicam Hungary, Budapest(MN)			5.8
Young & Rubicam Italia, Milan(MJ)			459.4
Young & Rubicam S.A., Madrid(MJ)			190.6

Billings by European office city, equity	Billings
Young & Rubicam Turkey, Istanbul(MJ)	18.5
Young & Rubicam/Sovero, Moscow(JV)	1.3
Billings by Latin American office city, equity	**Billings**
FSD/Young & Rubicam, Buenos Aires(MN)	4.5
Young & Rubicam, Mexico City(MJ)	30.5
Young & Rubicam Damaris, Santo Domingo(MJ)	0.8
Young & Rubicam de Chile, Santiago(MJ)	3.5
Young & Rubicam do Brasil, Sao Paulo(MJ)	135.1
Young & Rubicam Puerto Rico, Guaynabo(MJ)	35.9
Billings by Canadian office city, equity	**Billings**
Young & Rubicam, Toronto(MJ)	182.9

Notes: Dollars are in millions. Young & Rubicam is an advertising agency that includes the core Y&R "brand" shops worldwide, its joint investment with Dentsu Inc. in Dentsu, Young & Rubicam Partnership, and a roster of specialized marketing services subsidiaries, the largest being its PR unit, Burson-Marsteller. DY&R Partnership was formed in late 1990 out of HDM Worldwide. It represents the HDM units in the U.S. and Asia. HDM's European operations were bought by the third partner in HDM, Eurocom. DY&R Partnership, a 50/50 joint venture, also is a Top 50 agency organization. (See DY&R profile on Page S-35.) Y&R's totals include 50% of the Partnership. Partnership totals, however, do not include Lord Einstein O'Neill & Partners, which is now part of Partnership's U.S. operations. Y&R composites include its 49% ownership in LEO&P for 1990 and 1989. Y&R's totals comprising its ranking are a composite of the parent's equity in gross income and billings in each agency listed in the profile. Totals also include holdings in nonmedia advertising businesses not listed. The breakout by shops is by 100% of billings, except for Y&R "brand" agency, which is by equity. On an international level, Y&R includes billings for Cato Johnson, Chapman Direct, Sudler & Hennessey, Landor and Wunderman Worldwide and Burson-Marsteller in its listings.

Officers:
Alexander Kroll, chmn-ceo; Peter Georgescu, pres; Joseph E. De Deo, pres-ceo, Y&R Advertising; James H. Dowling, pres-ceo, Burson-Marsteller.

Headquaders:
Young & Rubicam
285 Madison Ave.
New York, N.Y. 10017
Phone: 212-210-3000
Fax: 212-684-1074

Cato Johnson Worldwide

Worldwide	1990	1989	% chg
Gross income	$63.6	$49.7	28.0
Volume	$417.9	$348.0	20.1
Employees	313	308	1.6
Offices	5	5	0.0
U.S.	**1990**	**1989**	**% chg**
Gross income	$28.2	$22.6	24.7
Volume	$191.6	$180.1	6.4
Employees	313	308	1.6
Offices	5	5	0.0
Billings by U.S. office city			**Billings**
Cato Johnson Worldwide, Chicago			41.8
Cato Johnson Worldwide, New York			48.9
Cato Johnson Worldwide, Detroit			16.1
Hutchins, Rochester, N.Y.			65.4

Officers:
Bill Power, John-Paul Lafaye, Brian Harris, worldwide ceos.

Headquarters:
Cato Johnson Worldwide
675 Avenue of the Americas
New York, N.Y. 10019-5104
Phone: 212-941-3700
Fax: 212-627-8342

Chapman Direct Advertising

U.S.	1990	1989	% chg
Gross income	$15.0	$7.2	107.7
Volume	$100.1	$48.2	107.7
Employees	120	55	118.2
Offices	1	1	0.0

Officers:
William P. Sutherland, pres-ceo.

Headquarters:
Chapman Direct Advertising
230 Park Ave. South
New York, N.Y. 10003
Phone: 212-614-3880
Fax: 212-614-3888

Sudler & Hennessey

Worldwide	1990	1989	% chg
Gross income	$39.5	$32.8	20.2
Volume	$267.3	$218.9	22.1
Employees	353	316	11.7
Offices	10	9	11.1
U.S.	**1990**	**1989**	**% chg**
Gross income	$26.0	$24.6	5.7
Volume	$173.4	$164.0	5.7
Employees	229	215	6.5
Offices	2	2	0.0

Officers:
William B. Gibson, chmn-ceo; John Chervokas, exec vp-ccc.

Headquarters:
Sudler & Hennessey
1633 Broadway
New York, N.Y. 10019
Phone: 212-969-5868
Fax: 212-969-5991

Wunderman Worldwide

Worldwide	1990	1989	% chg
Gross income	$85.0	$71.3	19.2
Volume	$567.0	$475.7	19.2
Employees	958	747	28.2
Offices	29	25	16.0
U.S.	**1990**	**1989**	**% chg**
Gross income	$38.1	$34.9	9.3
Volume	$254.4	$232.8	9.3
Employees	377	352	7.1
Offices	4	5	(20.0)
Billings by U.S. office city			**Billings**
Wunderman Worldwide, New York			197.5
Wunderman Worldwide, Little Rock, Ark.			18.7
Wunderman Worldwide, San Francisco			14.6
Wunderman Worldwide, Detroit			32.9

Officers:
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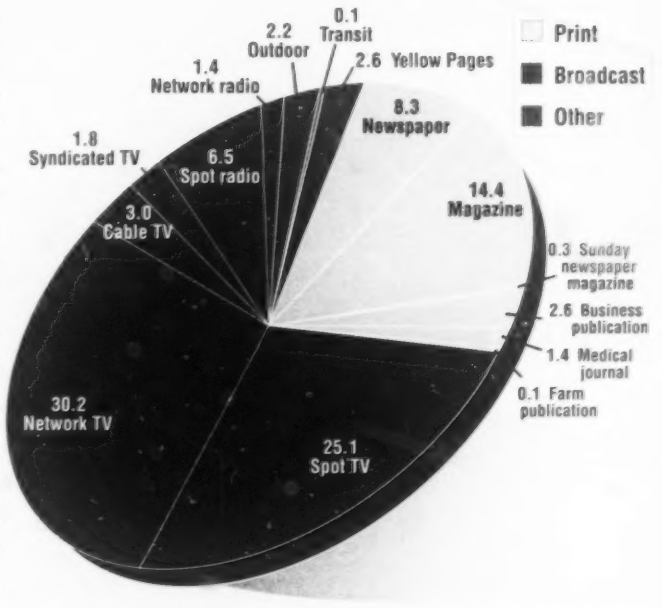
The Florida advertising region of The Wall Street Journal delivers subscribers with an average household income of $145,200. 79% with HHI $50,000 or more. 85% in top or middle management positions. At rates competitive with the Orlando Sentinel, Miami Herald or Tampa Tribune. For details, call your Journal representative.

U.S. media billings by category

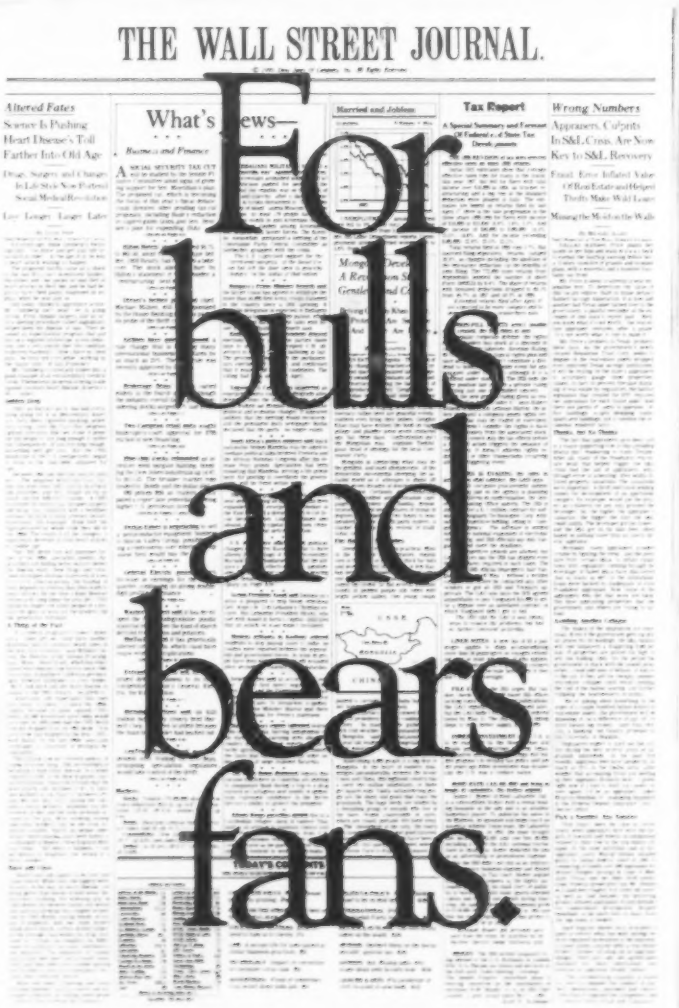
Media	Billings reported by 476 agencies 1990	1989	% chg	Media by percent of total 1990	1989
Print					
Newspaper	$2,807.7	$2,850.2	(1.5)	8.3	9.1
Magazine	4,854.5	4,635.5	4.7	14.4	14.8
Sunday newspaper magazine	111.2	91.6	21.4	0.3	0.3
Business publication	889.8	894.4	(0.5)	2.6	2.9
Medical journal	468.8	486.6	(3.7)	1.4	1.6
Farm publication	47.5	47.1	0.8	0.1	0.2
Subtotal print	9,179.5	9,005.4	1.9	27.1	28.8
Broadcast					
Spot TV*	8,490.7	7,680.7	10.5	25.1	24.6
Network TV	10,208.8	9,704.7	5.2	30.2	31.1
Cable TV	1,020.0	723.3	41.0	3.0	2.3
Syndicated TV	599.7	440.4	36.2	1.8	1.4
Spot radio*	2,211.1	2,126.4	4.0	6.5	6.8
Network radio	487.4	NA	NA	1.4	NA
Subtotal broadcast	23,017.6	20,863.2	10.3	68.1	66.8
Other					
Outdoor	729.6	654.1	11.5	2.2	2.1
Transit	29.2	26.0	12.3	0.1	0.1
Yellow Pages	866.2	691.2	25.3	2.6	2.2
Subtotal other	1,625.1	1,371.3	18.5	4.8	4.4
Total	33,822.2	31,239.9	8.3	100.0	100.0

Notes: Dollars are in millions. Information in this chart is compiled from media breakouts supplied by 476 of 558 U.S.-based agencies. Not all agencies break out media for AA. * Figures may be slightly high because some agencies combine network, syndicated and cable TV billings into spot, and network radio into spot radio.

Media by percent of $33.8 billion in 1990



AA graphic: Kim Mart; **AA chart:** Kevin Brown



The Chicago advertising region of The Wall Street Journal delivers subscribers with an average household income of $172,800. 82% with HHI $50,000 or more. 91% in top or middle management positions. At rates competitive with the Chicago Tribune or the Chicago Sun-Times. For details, call your Journal representative.

Foreign agencies (continued)

Agency, city, equity	Gross income	% chg	1990 Billings
Yugoslavia		**Exchange rates: NA**	
Studio Marketing Alliance, Belgrade **NE**	5,291	NA	35,242
BSB/SSA Studio Marketing, Belgrade **JV**	1,800	NA	12,000
Jadran-McCann-Erickson, Zagreb **MJ**	480	NA	3,202
Zambia	**Exchange rates: 0.02552 0.055200 kwacha -53.8%**		
Young & Rubicam (Zambia), Lusaka **MJ**	371	15.5	2,479
Peter Gilbert Advertising, Lusaka **NE**	51	(18.2)	169
Notes: Peter Gilbert affiliated with Saatchi & Saatchi Advertising.			
Zimbabwe	**Exchange rates: 0.393790 0.444800 Zimbabwe dollar -11.5%**		
Barker McCormac, Harare **NE**	2,410	6.5	10,008
Michael Hogg/Young & Rubicam, Harare **MN**	1,615	21.9	10,769
Lintas:Zimbabwe, Harare **MJ**	1,083	35.9	7,220
Notes: Barker McCormac affiliated with Saatchi & Saatchi Advertising.			

Notes on foreign agencies

Advertising Age's 47th ranking of foreign agencies lists for the first time, together with 1990 and 1989 exchange rates for each country, a percentage showing fluctuations in the exchange rates.

These fluctuations are most apparent in Latin American countries, with Argentina, Brazil and Peru leading with a 90% average decline of local currency compared to the U.S. dollar.

In Europe most currencies appreciated by an average of 15% compared to the U.S. dollar and in Asia the decline was limited to approximately 7%.

A result of these fluctuations is that at times agencies in certain countries can show an increase over the previous year in gross income and billings in local currency but find that advantage disappears when the local currency figure is changed into U.S. dollars.

In these charts, an agency's equity position is indicated as follows:

MJ Majority-owned, 51%-100%
MN Minority-owned, 1%-49%
NE No equity
NA Not applicable
JV 50/50 joint venture

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U.S. agencies indexed by rank

Agency	U.S. rank
Abelson-Taylor	183
Ackerman, Hood & McQueen Advertising	133
AC&R Advertising	38
Adair-Greene Advertising	388
Adams Colway & Associates	378
Adams & Longino Advertising	545
Adelante Advertising	440
Ad Hoc Marketing Resources	445
Admark Inc	346
Admarketing Inc	26
Ad-Pro	480
Ad Team	189
Advertising, Boelter & Lincoln	381
Advertising Communications	303
Advertising Works	252
A I M	504
Ally & Gargano	34
Ammirati & Puris	40
Andreozzi Scharfman Aucone	522
Donald L. Arends Inc	394
Arian, Lowe & Travis Advertising	301
Arnold Advertising	151
Arnold & Underwood	548
Asher Gould Advertising	109
August, Bishop & Meier	362
Aves Advertising	364
Avrett, Free & Ginsburg	72
N W Ayer	19
Babbit & Reiman Advertising	181
Backer Spielvogel Bates Worldwide	13
Bader Rutter & Associates	135
Bailey Lauerman & Associates	357
Perry Ballard advertising	466
Bar-Dell & Associates	555
Barnhart & Co	279
Barnum & Souza	216
Baron & Zaretsky Advertising	298
Battenberg, Fillhardt & Wright	356
Bauerlein	288
Baxter Gurian & Mazzei	212
Bayer Bess Vanderwarker	78
BBDO Worldwide	9
Beaumont, Heller & Sperling	420
Beckman Meany	396
Bellwether Communications	416
BelMed Advertising	431
Bender, Browning, Dolby & Sanderson	200
Walter Bennett Communications	235
Bentley, Barnes & Lynn	124
Berenson, Isham & Partners	335
Berenter Greenhouse & Webster	137
Lou Beres & Associates	351
Berry Network	62
William R. Biggs Gilmore Associates	167
Blackwood Associates	540
Blattner Brunner	334
Barry Blau & Partners	108
Bloom Cos	68
Bloom & Graham Advertising	534
Blunt-Hann-Sersen	266
Bonneville Communications	209
Borders, Perrin & Norrander	156
Bowes Dentsu & Partners	90
Bozell Inc	14
Brady Co	304
Bramson & Associates	488
Brashe Advertising	484
Brierley & Partners	242
Brouillard Communications	114
Earle Palmer Brown Cos	27
E.H. Brown Advertising	317
Bryan, Brown & Malinsky	406
Buckley DeCerchio Cavalier	262
Buntin Advertising	162
Burgess, Brewer, Stanyon & Payne	523
Leo Burnett Co	1
Burrell Advertising	139
Burris Creech	412
Lawrence Butner Advertising	254
Cabot Communications	117
Cadwell Davis Partners	89
Campbell & Wagman	185
Campbell-Mithun-Esty	16
Capener Co	372
Carmichael Lynch	95
Carrafiello-Diehl & Associates	129
Cascino & Purcell	410
Cato Johnson Worldwide	45
Centra Advertising Co	283
Centric Communications	295
Chapman Direct Advertising	92
CHC Advertising	184
Chernoff/Silver & Associates	213
Chiara Associates	532
Chiat/Day/Mojo	21
CLA Advertising	376
Clarion Marketing & Communications	47
Clarity Coverdale Rueff	278
T.J. Clark Advertising	313
George P. Clarke Advertising	443
Clarke Advertising & PR	537
Cline, Davis & Mann	157
Coakley Heagerty Cos	418
Cohen/Johnson	201
Cole & Weber	122
Colle & McVoy	166
Combs & Heathcott	369
Communicators Group	453
Communications Plus Advertising/PR	554
Communique	457
Conill Advertising	230
William Cook Agency	126
Frank J. Corbett Inc	125
Cosmopulos, Crowley & Daly	309
R.L. Couch & Co	398
Cox Landey & Partners	199
CPA Inc	314
Cramer-Krasselt	81
Cranford Johnson Robinson Woods	195
Creative Alliance	282
Creative Media	541
Cronin & Co	350
Cross Keys Advertising	533
CTS Associates	521
Dahlin Smith White	214
Dailey & Associates	57
D'Arcy Masius Benton & Bowles	10
Davidoff White Good	296
Davis, Ball & Colombatto	84
DCS Advertising	110
DDB Needham Worldwide	12
Decker Rickard	286
Delfino Marketing Communications	454
Della Femina, McNamee	20
Devon Direct Marketing & Advertising	123
DFK Advertising	501
Direct Marketing Group	59
DK Group	529
DMCA Direct	85
Doe-Anderson Advertising Agency	215
W.B. Doner & Co	30
Donnelly & Duncan	497
Doremus & Co	97
Dorland Sweeney Jones	191
Dorrrie Lyons & Nickel	131
Douglas Samuel Advertising	441
D.P.L. Advertising	478
Dudreck DePaul Ficco & Morgan	327
G. Duff Associates	514
Duffy & Shanley	274
Dugan/Farley Communications Associates	147
Dugan, Valva Associates	392
Duke Unlimited	444
Eisaman, Johns & Laws	74
Eisner & Associates	168
Elkman Advertising & PR	153
Epsilon Data Management	121
Eric Ericson & Associates	173
Esroc Advertising	384
Evans Communications	46
Exclamation Point Advertising	516
Faber Shervey Advertising	536
Fahlgren Martin	58
Falcone & Associates	366
Fallon McElligott	105
Fensholt Marketing Communications	460
Thomas G. Ferguson Associates	52
Fern/Hanaway	336
Fessel, Siegfriedt & Moeller Advertising	359
Fingerote & Fingerote	513
Finnegan & Agee	285
Fitzgerald & Co	261
FitzSimons Advertising & PR	469
FKQ Advertising	380
Fletcher, Gampper & Wirth	399
Floathe Johnson Associates	211
Fogarty & Klein	146
Food Group	249
Foote, Cone & Belding Communications	3
Forsythe Marcelli Johnson Advertising	263
Albert Frank-Guenther Law	217
Frankenberry, Laughlin & Constable	143
Cliff Freeman & Partners	101
Fruchtman & Rosen	524
Furman Roth Advertising	427
Gallagher Group	459
Gardner Communications	308
Gearon Hoffman Conlon & Nye	182
Geer, DuBois	67
Geoghegan/Griffiths	464
Gerber Advertising Agency	248
Gilbert, Whitney & Johns	176
Girgenti Hughes Butler & McDowell	206
Glasheen Advertising	519
Daniel Glassman Advertising	434
Glennon & Co	244
Goble & Associates	353
Goldberg Moser O'Neill	116
Goldfarb Hoff & Co	281
Goodby, Berlin & Silverstein	145
Goodwin, Dannenbaum, Littman & Wingfield	130
Grace & Rothschild	113
Graff-Sherman Advertising	435
Grant/Jacoby	169
Grant Marketing Communications	387
Gray Baumgarten Layport	409
Gray Kirk & Evans	219
Greenstone Rabasca Roberts	152
Gregory Inc	411
Grey Advertising	4
Griffin Bacal	63
Grob & Co	467
Gross Townsend Frank Hoffman	112
GSD&M	69
Gumpertz/Bentley/Fried	284
Haddon Advertising	246
Hallmark Advertising	269
Hameroff/Milenthal/Spence	170
Hamilton, Carver & Lee	128
Hammond Farrell	305
Harmon Smith	368
Don Harrington Associates	543
Harris Advertising	432
Harris, Baio & McCullough	255
Harris & Drury Advertising	220
Harris & Love Advertising	331
Harris & West Advertising	379
Haselow & Associates	413
Haynes & Pittenger Direct	502
Henderson Advertising	132
Herring Newman	306
Hesselbart & Mitten	134
Hicks & Associates	552
Roni Hicks & Associates	352
Hiebing Group	419
Hill, Holliday, Connors, Cosmopulos	28
Hill & Partners	395
Hinton & Steel	506
Hitchcock Fleming & Associates	272
Hitchins Co	557
Hively Agency	442
Bernard Hodes Group	41
Hoffman York & Compton	180
Hogan & Associates	510
J.P. Hogan & Co	383
Holtzman & Silverman Communications	515
Hood, Light & Geise	490
Houston Effler & Partners	205
Hughes Advertising	280
Hull & Signorile	452
R.J. Hunter & Associates	520
Image Dynamics	367
IMPACT	119
Ingalls, Quinn & Johnson	83
Integrated Target Marketing	495
Intercommunications	310
Intersouth Creative Group	508
Jason Group	315
Jayme Organization	208
Jiloty Communications	491
Rick Johnson & Co	342
Jordan, McGrath, Case & Taylor	32
Jordan Tamraz Caruso	187
Juhl Agency	238
Kallir, Philips, Ross	61
Karsh & Hagan	236
Kaufman Goldman Stral	503
Kaufman & Maraffi Advertising	253
Keller-Crescent	56
Keller Haver Lipman	549
Austin Kelley Advertising	175
Kelley & Wallwork	311
Kern/Mathai Direct Marketing	312
Keroff & Rosenberg Advertising	234
Kert Advertising	458
Ketchum Communications	15
Kingswood Advertising	371
Kinzie & Green	498
Kleimtner Advertising	79
Kobs & Draft	66
Kobs, Gregory & Passavant	439
Kocs, Wesson & Associates	489
Kolesar & Hartwell	276
Kolon, Bittker & Desmond	192
Kopf Zimmermann Schultheis	436
Korey Kay & Partners	174
Kuhn & Wittenborn	322
Kupper Advertising	360
Lally, McFarland & Pantello	144
Landers & Partners	414
Lardis, McCurdy & Co	474
Larkin, Meeder & Schweidel	228
Lauerer Markin Gibbs	239
Launey, Rachmann & Harris	370
Laurence, Charles, Free & Lawson	36
Laver, Fuller & Perkins	446
Lavey/Wolff/Swift	65
Lee & Riley	408
Al Paul Lefton Co	99
S.R. Leon Co	260
Leslie Advertising Agency	251
Lessing-Flynn Advertising Co	430
Letven/Diccicco	319
Levine, Huntley, Vick & Beaver	42
Jack Levy & Associates	136
Lewis, Browand & Associates	267
Lewis & Gace	465
Lieberman-Appalucci	319
Liggett-Stashower	118
Link/Freeman Advertising	527
Lintas: Worldwide	11
K.I. Lipton Inc	483
Lockhart & Pettus	259
Loeffler Ketchum Mountjoy	332
Lois/GGK Chicago	103
Lois/GGK New York	82
Long, Haymes & Carr	91
Lord, Dentsu & Partners	44
Lord, Sullivan & Yoder	202
Lortz Direct Marketing	426
Lotas Minard Patton McIvor	302
Louis London	326
Lowe & Partners	25
Lyons Inc	264
J. Malek Inc	535
J. Malsh & Co	525
MARC Advertising	158
Marcus Advertising	223
Margeotes Fertitta & Weiss	73
Maris West & Baker	349
Marken Communications	500
MarketAide	518
Marketing Innovations	546
Marketing Resources	163
Marketing Support	226
Marquardt & Roche	221
Mars Advertising	186
Martcom	345
Martin Agency	53
Martin Marshall Jaccoma Mitchell	150
Martin Thomas	492
Martin-Williams	100
Martz & Wadas	405
Jack Mathis Advertising	542
Peter A. Mayer Advertising	374
McAdams, Richman & Ong	155
William Douglas McAdams Inc	75
McAndrew Advertising Co	556
McCaffery & Ratner	294
McCaffrey & McCall	33
McCann-Erickson Worldwide	8
McConnaughy Barocci Brown	277
McDougall Associates	198
McFarland Group	344
McFarland & Drier	177
McKee Advertising	449
McKinney Inc	271
McKinney & Silver	102
McKone & Co	290
M.E.D. Communications	93
Medicus Intercon International	55
Meldrum & Fewsmith	138
Mendoza, Dillon & Asociados	159
Stan Merritt Advertising	250
Messner Vetere Berger Carey Schmetterer	120
Meyer & Wallis	347
Michael & Partners	325
Miller Group	538
Miller Meester Advertising	141
Mills Marketing	550
William Mills Advertising & Marketing	530
Mintz & Hoke	178
Mitchell & Comer	382
Montgomery & Partners	505
More Direct	339
Eric Mower & Associates	107
MSA Advertising	507
Mullen Advertising	106
MWA Direct	528
Frank C. Nahser Inc	268
National Response Corp	465
Nationwide Advertising Service	39
Nelson Communications	54
Nemer, Fieger & Associates	429
Newmark, Posner & Mitchell	257
Noble Communications	111
Nordensson Lynn & Associates	407
North Castle Partners	140
Bruce Novograd Advertising	526
NPC & Associates	551
Nutrition Marketing	494
Ogilvy & Mather Direct	23
Ogilvy & Mather Worldwide	6
Omon New York	328
Opus Group	509
Pagano Schenck & Kay	358
Paolin & Sweeney	197
Parker Group	324
Partners & Shevack	87
Patterson Advertising Agency	496
Pedone & Partners	203
Penny & Speier	373
Penny/Ohlmann/Neiman	330
Philips-Miller & Associates	451
Phillips Miller Speyer & Frost	361
Pierson & Flynn	425
Polese Clancy	463
Pollak Levitt Chaiet	473
Poppe Tyson	149
Potter Hazlehurst	338
Praco Ltd	493
Price McNabb Advertising	172
Princeton Partners	386
Publicis Inc	193
Puskar Gibbon Chapin	204
Qually & Co	428
Quest Business Agency	256
L. Quillin & Associates	544
Jules Rabin Associates	481
Rainoldi, Kerzner & Radcliff	291
Rapp Collins Marcoa	50
Rauh, Good, Darlo & Barnes Advertising	385
Reid & O'Donahue Advertising	433
Reimel Carter Advertising	247
Reynolds-Sullivan Advertising	477
Rhea & Kaiser Advertising	300
Richards Group	64
Richardson, Myers & Donofrio	127
Hal Riney & Partners	29
John Risdall Advertising	348
Rivers Trainor Doyle & Walsh	400
Robinson, Yesawich & Pepperdine	115
Romann & Tannenholz Advertising	142
Rosenfeld, Sirowitz, Humphrey & Strauss	71
Ross Roy Group	17
Rubin Postaer & Associates	80
Rubin Reid Noto & Ehrenthal	258
Chuck Ruhr Advertising	160
Rumrill-Hoyt	98
Saatchi & Saatchi Advertising Worldwide	2
Sacks & Rosen	179
Sader & Associates	475
Sage Marcom	389
Salthouse Torre Norton	265
Salvati Montgomery Sakoda	222
Sandler Communications	343
Sandven & Associates	320
San Jose & Associates	397
Sanna, Mattson, MacLeod & Macri	415
Sargent & Potratz	355
Saugatuck Group	86
Sawyer Riley Compton	237
Saxton Communications Group	455
Scali, McCabe, Sloves	37
Scharfberg & Associates	363
Schutte & Co	210
Scopes-Garcia-Carlisle	486
Sefton Associates	292
Semel/Kaye & Co	391
Serino Coyne	161
Rik Shafer & Associates	539
Shea & Ziegler	553
Sheldon Fredericks Advertising	471
Shepler/CoDA & Co	456
Shipley Associates	424
Siddall, Matus & Coughter	293
Significs Inc	390
Simmons, Durham & Associates	299
Simms & McIvor	417
Simons Michelson Zieve	231
Slater Hanft Martin	104
Smith Advertising & Associates	479
Smith, Badofsky & Raffel	307
Smith, Dorian & Burman	499
J. Richard Smith Advertising	154
Smith Lask Associates	447
Smith & Yehle	482
Soghigian & Macuga	377
Solin Associates	333
Spencer Bennett Nowak	403
Franklin Spier Inc	241
Steen Advertising Corp	468
Steinert & Associates	243
Stein, Killpatrick & Rogan Advertising	448
Stenrich Group	194
Stephan & Brady	273
Stern Advertising	229
Stern Walters Partners	171
Stevens Kirkland Kreer	461
St. George Group	289
Stiegler, Wells & Brunswick	341
Stone, August, Baker Communications Cos.	232
Stone & Simons	207
Strategic Promotions	375
Sturm Communications Group	337
Sudler & Hennessey	48
Sullivan Higdon & Sink	245
Sullivan & Brownell	402
Swanson Russell Associates	323
Tarlow Advertising	51
Tatham-Laird & Kudner	43
Taylor Brown Smith & Perrault	227
TBWA Advertising	31
TCI Advertising	470
Team One	70
Telephone Marketing Programs	24
G. Temple Associates	422
Tepe, Hensler & Westerkamp	438
Thielen & Associates	450
TH&M Advertising	354
Ira Thomas Associates	401
Ted Thomas Associates	225
J. Walter Thompson Co	5
Thompson Recruitment Advertising	60
Townsend Agency	340
Tracy-Locke	22
Tracy Burden & Charles	148
Ernest Tricomi & Daughter	558
Tri-State Advertising Co	462
Trunk & McCaffrey	233
R.J. Tucker & Associates	511
Tucker Wayne/Luckie & Co	88
Turk Group	485
Turtledove Clemens	404
Umphenour Martin Lonsdorf	275
Valentine-Radford	94
VanSant, Dugdale & Co	188
Vawter & Vawter	437
Vicom/FCB	96
Villing & Co	512
John Volk Co	329
Wakeman & deForrest	316
Waldbillig & Besteman	297
Waring & LaRosa	164
Warwick Baker & Fiore	49
Weber, Geiger & Kalat	517
Weightman Group	77
S.J. Weinstein Associates	270
Wells, Rich, Greene	18
Wendt Advertising Agency	365
Widman & Co	287
Wiken Promotion & Advertising	421
Wilson Sculley Associates	240
Windermere Communications	321
Winius-Brandon	196
Winterkorn Lillis	393
Don Wise & Co	487
Wolf Blumberg Krody	218
Wolf, Mansfield, Bolfing	190
Wolkcas Advertising	472
Wunderman Worldwide	35
Wyse Advertising	76
Yaffe & Co	224
Yardis Advertising	531
Richard Yeager Associates	476
Young & Rubicam	7
Zises Advertising	547
Zubi Advertising Services	423

U.S. agency ranking begins on Page S-12

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■ Let's see, dinner for 15 at Le Cirque comes to. . .

1. Do you ever exaggerate your business-related travel or entertainment expenses?
- ☐ Yes
- ☐ No

2. If yes, how often?
- ☐ Less than 10% of the time
- ☐ 11% to 20% of the time
- ☐ 21% to 50% of the time
- ☐ More than 50%
- ☐ Every chance I get

3. If yes, how much on average?
- ☐ Less than $5
- ☐ $6 to $20
- ☐ $21 to $50
- ☐ More than $50

4. If you exaggerate, in which area do you most often do so?
- ☐ Travel expenses
- ☐ Dining
- ☐ Non-dining entertainment
- ☐ Lodging

5. Do you ever *not* charge the company for expenses?
- ☐ Yes
- ☐ No

6. If yes, how often?
- ☐ Less than 10% of the time
- ☐ 11% to 20% of the time
- ☐ 21% to 50% of the time
- ☐ More than 50%
- ☐ All the time

7. Since the recession began, has your company restricted travel options, such as mandating air carriers, hotels, etc.?
- ☐ Yes
- ☐ No

8. Has your travel and entertainment budget been cut?
- ☐ Yes
- ☐ No

9. If so, by how much?
- ☐ Less than 10%
- ☐ 11% to 25%
- ☐ 26% to 50%
- ☐ More than 50%

■ Spring freeze

1. Has your company announced a hiring freeze?
- ☐ Yes
- ☐ No

2. What impact has this had on your department's performance?
- ☐ No impact
- ☐ Lowered performance
- ☐ Increased performance

3. If you left your job, would you be replaced?
- ☐ Yes
- ☐ No

I work at:
- ☐ An agency
- ☐ A client company
- ☐ A media company
- ☐ Other:

I am:
- ☐ Upper management
- ☐ Middle management
- ☐ Worker bee
- ☐ Other:

RAISE? WHAT RAISE?

Agency, media company among employees taking it on chin; many to look for new jobs

It's one mean year out there in paycheck land.

According to the 201 respondents of the January FaxTrack poll, 31.3% did not receive a 1991 pay raise.

This news came as a shock to most. More than 62% of the respondents expected at least a 5% raise.

Ad agency and media company employees were hit hardest.

More than 57% of agency personnel and 50% of media company employees who responded went home on Jan. 15 without a bigger check.

Only 10.5% of advertiser employees got a goose-egg during their pay review.

Advertiser company employees also received the biggest bumps up: 78.9% received at least a 5% increase, compared with 35.6% of agency and just more than 33% of media company employees.

This may be a big year for mac-and-cheese dinners. About half of media company personnel, and almost 43% of agency employees, say their standard of living will drop this year, compared with 32.8% of the total sample.

As a result, resumes will be flying. Some 50% of agency and 41.7% of media company workers say they'll seek new jobs.

The employees may want to move to the client side where only 10.5% plan to look for greener pastures in 1991 and a sizable 47% say raises reflect job performance. ☐

AGENCIES HOLD FIRM ON BENEFITS

Despite budget cuts, shops would rather raise deductibles than slash programs

By Alicia Lasek

Agency personnel may have been hit hard by layoffs and cuts in clients' ad budgets, but human resources directors say they should not worry agencies will start cutting corners in the benefits department.

Ad agencies will be reluctant to change benefit programs now after holding up under economic pressure for so long, says Hugh Coughlan, senior VP-human resources at Hill, Holliday, Connors, Cosmopulos.

"If the economy dictates it, you'll see companies dealing with direct compensation before they reduce benefits," he says. "They may raise co-payments or deductibles, but the basic benefits will stay the same."

Some agencies have gone beyond the traditional employee benefits programs, providing childcare referral or on-site daycare, job-sharing and telecommuting for personnel who wish to work from their homes.

Leo Burnett Co.'s 2-year-old elder-care referral program and its family workshops at its New York office are getting strong turnouts—usually about 35 to 50 people attend.

"We've expanded our benefits program to include working women and parents in general," says Compensation Manager Sue Holsinger.

Sue Engle, senior VP-corporate personnel and facilities at Ketchum Communications, thinks more agencies will incorporate childcare progams, despite the costs.

"I think [agencies] are stalling on it because childcare is very expensive. But there has to be more flexibility with all the women in the workplace," the Ketchum executive says.

Advertising Age contacted the 25 top-billing domestic U.S. ad agencies to get the big picture on both basic and non-traditional benefits they offer. The 15 that responded report below what their employees receive above and beyond a paycheck. ☐

Alicia Lasek is a Chicago-based freelance writer.

■ *Employee matters*

How the big shops stack up

	Maternity leave	Paternity leave	Vacation days after 1 year	Personal days	Overtime pay	Comp time	Christmas bonus	On-site childcare	Childcare referrals	On-site elder-care	Elder-care referrals	Telecommuting	Extended leave	Part-time track	Job sharing	Parking	Dress codes	Flexible hours	Summer hours	Minorities on board	Women on board
D'Arcy Masius Benton & Bowles, New York	✓	✓	10	0	$		✓						◢					☼	NA	NA
J. Walter Thompson Co., New York	✓	✓	10	3	$											P			NA	NA
Young & Rubicam, New York	✓	✓	10	3	$	◷	✓		✓		EC		◢	◪				☼	1 of 18	2 of 18
Ogilvy & Mather Worldwide, New York	* ✓ ✓ *		10	0	$	◷		✓†			EC		◢		▬	P		◷	0 of 23	2 of 23
Lowe Marschalk, New York	* ✓		10	5†	$								◢	◪				☼	NA	NA
Della Femina, McNamee, New York	✓ ✓		10	2	$	◷	✓											☼	0 of 5	1 of 5
[illegible]	✓ ✓ *		10	0	$	◷			✓				◢	◪		P	▲	◷	0 of 12	1 of 12
Leo Burnett Co., Chicago	✓		10	0	$		✓	✓			EC		◢	◪†					NA	NA
	✓		10	∞	$	◷	✓**	✓					◢	◪	▬	P**			0 of 5	1 of 5
Scali, McCabe, Sloves, New York	✓		10	0	$													☼	NA	NA
	✓		10	0	$							☎						☼ ◷	NA	2 of 11
Saatchi & Saatchi Advertising, New York	✓		10	3	$		✓						◢	◪		P			NA	NA
	✓ ✓		10	4	$	◷	✓						◢			P		☼	0 of 15	1 of 15
Bozell Inc., New York	✓		10	3	$								◢	◪			▲	☼	NA	NA
	✓ ✓		10	5	$	◷	**✓		✓				◢	◪		P		☼	0 of 21	4 of 21

JOHN SMITHER

N.Y. tabloids to strut their stuff

By Cynthia Rigg
Crain News Service

NEW YORK—Ad campaigns for this city's tabloids are about to hit high gear following British media mogul Robert Maxwell's purchase of the *Daily News*.

Local airwaves are likely to be filled with promotions as the *News* fights to recover from a five-month strike.

Last weekend, the *News* launched a media blitz with its "We're back. Buy us" campaign. And this week, *New York Newsday* is stepping up its efforts.

"In a normal year, the *News* was spending around $5.5 million on advertising," said John Campi, the paper's VP-director of promotion and public relations. "We intend to be much more aggressive than that, although we have not set a definite budget."

He said the *News* is also considering using circulation-building programs, including contests.

The ad theme was suggested by Mr. Maxwell, who bought the paper from Tribune Co. One of Mr. Maxwell's other demands to agency Gearon Hoffman Conlon & Nye was harder to fulfill. He insisted the commercials include the song, "New York, New York," to which the paper had tried unsuccessfully to secure the rights several years ago.

Mr. Maxwell himself contacted EMI, which owns the song, and negotiated a one-year deal.

"This illustrates the speed of my decisionmaking," Mr. Maxwell said. "I negotiated the rights to the song in hours when it usually takes months. It also illustrates my contribution to creative marketing."

R. Maxwell

Mr. Maxwell does voice-over on the 10- and 15-second spots but doesn't appear on camera.

One of the spots shows a bundle of *Daily News* issues sporting the headline "We're back."

The first wave of commercials will run for a week, to be followed by a second flight, the creative for which has yet to be determined.

The tabloid's unions are planning an ad campaign of their own, said George McDonald, president of the Allied Printing Trades Council.

"In a week or two down the road, we will be doing some sort of advertising in several different newspapers," he said. "We will be asking people to buy the *News*."

The March 22 issue, the first published under Mr. Maxwell, carried a 40¢ cover price, up from 35¢, and 88 ad pages.

Mr. Campi said he's confident circulation can return to prestrike levels of more than 1 million. The March 22 issue had a pressrun of 1.2 million.

The *News* is currently charging advertisers "interim" rates but will establish a new rate card and circulation guarantee effective April 1, executives said.

No promotions are planned to win back advertisers at this point. "The promotion that has to be done to get back the advertising is to get back the readers," Mr. Campi said.

The *News* isn't the only paper hustling to get its message out. This week, *New York Newsday* is breaking a TV commercial featuring columnist Gail Collins.

The paper is also planning a series of TV commercials starting in the next few weeks that go head-to-head with the *Daily News*.

Late last week, *Newsday* stole one of the *News*' stars by hiring away syndicated columnist Liz Smith.

A spokeswoman for the paper said it has already begun shooting commercials featuring Ms. Smith and that "she will play a big part in our ad plans." □

Scott Donaton contributed to this story.

Liability

(Continued from Page 1)

face of partnership."

If clients are liable, he said, "maybe we should pay commissions to the clients."

Mr. Losee said Knapp wouldn't accept contracts from agencies calling for sequential liability.

"There's going to be hell to pay if I see one," he said.

From the agency point of view, "the issue is simple," said one agency executive. "If clients are going to pay the agency a 15% commission, then the agency will take the risk. If they won't, then it's 'Screw you, you take the risk.' "

Even though some agencies have already adopted the sequential liability policy, other agency executives pointed out that breaking the tradition of the old system may further weaken agency-client relationships.

These executives believe some clients consider the assumption of liability as part of the service an agency offers and aren't sure how advertisers will react to the change.

On March 21, Magazine Publishers of America President Don Kummerfeld and Exec VP James Guthrie met with Four A's President John O'Toole and Exec VP Burt Drake to discuss the liability issues.

"We don't want to go to war with the agency world," Mr. Kummerfeld said after the meeting.

"I think they understood what our concern is a little better, which would certainly help us resolve it if it can be resolved amicably. And we understand their concerns. They don't want to get stuck holding the bag. We don't want to get stuck holding the bag."

But the MPA isn't giving in to the concept of sequential liability.

"The sensible solution is dual liability, and we'd like to find a way to make it work," Mr. Kummerfeld said.

Several publishers, including Knapp and Time Inc. Magazine Co., have switched from sole to dual liability contracts in recent years.

Mr. Guthrie said the next step is bringing the issue before the MPA board on May 7, its next scheduled meeting. Messrs. Guthrie and Kummerfeld will then meet the following week with the Four A's board.

As for the broadcast media, the Broadcast Cable Financial Management Association and its Broadcast Cable Credit Association unit recently rescinded their 17-year-old sole liability policy.

The BCFMA recommends financial policies to broadcast and cable networks and now endorses a policy of "joint and several liability," which makes both the advertiser and agency responsible for the payment of media contracts. That's because "there's no way to discern when liability shifts from the advertiser to the agency," said Bob McAuliffe, executive director.

Advertisers are just starting to study the effects the liability changes could have.

Kraft General Foods is "very interested in the subject," said Marshall Garber, financial director of its Media Services Group and a member of the Association of National Advertisers' Advertising Financial Management Committee. "We are studying it seriously, but we have not reached a decision."

D. Kummerfeld

Jim Zambito, advertising finance manager for Johnson & Johnson, said it's too early to tell what the company's position will be because the issue has cropped up so quickly.

Although Four A's officials indicated the ANA would soon endorse the sequential liability system, it won't be formally discussed until the ANA's Advertising Financial Management Conference in May.

"In the old days, starting in 1940, the Four A's advocated agency sole liability for payment to media," said Four A's Exec VP Harry Paster. "One of the things agencies did to earn a commission was to take the credit risk."

That continued, he said, "until the networks decided they wanted everybody liable."

The issue came up for re-examination two years ago, Mr. Paster said.

"We took a look at what's going on in the real world," he said. "Well, the real world has changed. There have been a hell of a lot of bankruptcies. A lot of agencies have gotten hurt—terribly hurt—by bankruptcies. And the structure of how agencies get paid has changed."

The sequential liability idea was proposed by Bob James, chairman of McCann-Erickson Worldwide, New York, when he was a director of the Four A's.

Mr. James last week said McCann was going to move to adopt sequential liability, adding that he didn't think it's an important issue for clients.

"Maybe when [sole liability] was started, clients saw a benefit," Mr. James said. "How a client could see a benefit in using it to protect themselves in a bankruptcy situation we can't conceive. I think [advertisers] have always felt that when they committed [to buying media], they owed the money.

"I think what the agency business is saying is, if we've collected the money, OK, but if we haven't, we can't take the sole liability. As compensation goes down, it becomes all the more of an issue."

Mr. James acknowledged the media "have been squawking, but it's unrealistic for them, in my mind, to think that they could recover money from the agencies that the agencies never had."

But other agencies are still evaluating whether they want to make the change.

"Historically, we've taken the hit," said Charles D. Peebler Jr., ceo of Bozell, while suggesting that times have changed and that the policy should be re-examined.

Young & Rubicam Exec VP R. John Cooper said his agency hadn't yet come to a decision, though Y&R Chairman Alex Kroll is vice chairman of the Four A's and presumably supported its recommendation.

Agency sources said senior Y&R media and account executives were meeting to assess the effect a change from sole liability would have on client relationships.

The new policy may be best received by small agencies, which are most at risk when one of their clients fails. Smaller shops need the support of the industry to persuade clients it's not the agency's job to pay for ad time and space.

"The big agencies' clients, the Philip Morrises, don't go bankrupt," said Felix Kent, senior partner at Hall, Dickler, Lawler, Kent & Friedman, a law firm that advises more than 60 agencies. "It's the little guy who's got a small account that may go belly up." □

Contributing to this story: Scott Donaton, Joe Mandese and Gary Levin.

IBM

(Continued from Page 1)

whether the train is too far out of the station. If IBM expects to succeed, they'll have to make up for lost ground," said William Bluestein, analyst at Forrester Research.

Toshiba, the No. 1 notebook company with 24% of market, isn't taking IBM's introduction lying down. It plans to launch its own campaign next week for its newest portable, the T2000SX. It's been in the marketplace since January but hasn't been advertised yet. The T2000SX is aimed at virtually the same audience as IBM's new computer. Toshiba's computer is powered with the same 386SX chip and carries a similar price, about $5,000.

Within a year, IBM will probably garner a "midsingle digits" market share, said Bill Johnson, VP-general manager for Toshiba America's Computer Systems Division. That will come primarily at the expense of Toshiba and Compaq, as "some portion" of their *Fortune* 500 accounts return to IBM, he said.

But most customers have learned to live without IBM portables, Mr. Johnson said. Toshiba and Compaq will be able to hold onto most of their customer base because IBM's portable has no obvious technical or pricing edge over the competition, he said.

IBM "let the market get away from them," he said. "They're not going to take away the lead of Toshiba and Compaq. I still think it's a two-horse race."

Compaq, which has close to a 20% share of the notebook market, has no comparable machine to IBM's and Toshiba's new entries, said John Dunkle, VP at WorkGroup Technologies, a market research company. But Compaq will introduce one before summer, priced around $5,000, he said.

Compaq has achieved its No. 2 position with its popular, slightly less powerful notebook, the LTE/-286. It also has a more powerful unit, the LTE 386s/20.

"We have a very aggressive campaign in place for our notebook computer [the LTE 386s/20], which is in very high demand and has a significant share of the market," said Bob Beach, manager of media relations. "We will continue to be aggressive in that product market."

Apple Computer is also waiting in the wings. The company says it plans to have two new lightweight machines on the market by yearend. In an unprecedented move, Apple has gone to two Japanese companies, Sony Corp. and Toshiba Corp., to help develop laptop and notebook computers, trade reports say.

Both Apple and IBM have flopped with their earlier attempts at portable computing. IBM's previous two entries were too heavy and out of touch with the market. Apple has fared poorly with its Macintosh Portable, criticized as overweight (15 pounds, twice that of top-selling competitors) and overpriced since its 1989 introduction.

Apple last month cut the portable's base price by more than $1,000 to $4,199 and added features in a move to stimulate sales.

IBM "let the market get away from them. They're not going to take away the lead of Toshiba and Compaq."

Analysts say Apple is a strong contender to break into the ranks of the top five portable vendors in the next year.

IBM may have a tougher time.

But IBM likely will be among the top 10 portable marketers "considering their product is at least average in features, performance, price," said Peter Teige, senior analyst with InfoCorp, a market research company.

"Being IBM, they don't have to be first and they frequently are not first, and that does not seem to matter," Mr. Teige said.

IBM advertising, via Lintas: New York, will emphasize the computer's power.

"It's being presented as having the power of a desktop computer," said a source familiar with the advertising.

IBM spends about $125 million annually to advertise all its products.

The new Toshiba campaign will be the first effort for the marketer from Chiat/Day/Mojo, Venice, Calif. Chiat took over the $15 million account from Ayer Tuttle, Los Angeles, earlier this year.

Spreads in *The Wall Street Journal* and *USA Today* will compare the evolution of man and computers. □

Brad Johnson and Christy Fisher contributed this story.

NOTE

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LAST MINUTE NEWS

Nestle taps McCann

SAN FRANCISCO—Nestle Beverage Co. last week consolidated most of its estimated $65 million account at McCann-Erickson Worldwide's offices here and New York. McCann's New York office won the estimated $18 million Coffee-mate business from Dailey & Associates, Los Angeles, and the $9 million Nestea brand from J. Walter Thompson USA, New York. The McCann offices will now handle about $52 million in Nestle Beverage spending. Other Nestle Beverage agencies are Hal Riney & Partners here; Cohen/Johnson, Los Angeles; and Bloom FCA, Dallas. Separately, parent Nestle USA, Glendale, Calif., this month will name agencies for its estimated $300 million media buying account (AA, Jan. 14).

Kellogg, Texas feud

BATTLE CREEK, Mich.—Kellogg has sued Texas Assistant At-

(Continued on Page 8)

INSIDE

Jeffery D. Zhar

Spring break: Where beer marketers left off, other marketers rushed in. **Page 16**

"Creativity"

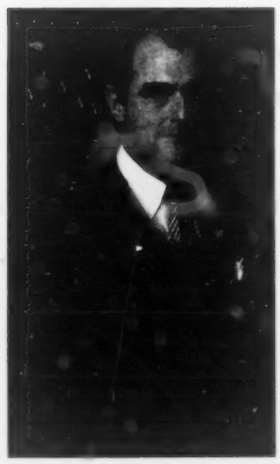
Some readers get "Creativity," which starts after Page 24. If you don't, call 1-800-678-9595 and ask for *Ad Age* circulation.

Philip Morris tilts to food

With Miles at helm, course is plotted for global growth

Mike Miles' rise to the top

- **1961:** After graduating from Northwestern University with a bachelor's degree in advertising, rose to VP-account supervisor at Leo Burnett USA.
- **1971:** Became senior VP-marketing for Kentucky Fried Chicken.
- **1977:** Named chairman of KFC.
- **1980:** Named senior VP of Heublein, KFC's parent, while keeping KFC title.
- **1982:** Joined Kraft Inc. as president and chief operating officer.
- **1989:** Named chairman-ceo of Kraft General Foods and vice chairman of Philip Morris Cos.
- **1991:** Appointed chairman-ceo of Philip Morris, succeeding Hamish Maxwell.



By Judann Dagnoli

With Michael Miles as its leader, Philip Morris Cos. could conquer the food world.

Already the nation's largest food company and the No. 3 food marketer worldwide, Philip Morris is setting its sights on global expansion with last week's appointment of Mr. Miles as chairman-ceo.

Analysts expect Mr. Miles, 51, to use the company's enormous cash flow generated by its tobacco business to finance acquisitions and build an international food empire that could rival that of Nestle and Unilever.

In addition to Mr. Miles, now chairman-ceo at Philip Morris' Kraft General Foods, the company also announced that Philip Morris Vice Chairman William Murray, 55, will become president-chief operating officer of the parent company. Geoffrey Bible, 53, now president-chief administrative officer of Kraft General Foods, will assume the new post of exec VP-international to oversee Philip Morris' food and tobacco businesses outside North America. All appointments take effect in September.

The moves indicate an attempt by the company to strengthen its position as a food marketer worldwide while continuing its

(Continued on Page 36)

Buick ads target ZIP codes

By Raymond Serafin and Cleveland Horton

Buick, with the help of McCann-Erickson Worldwide, will launch its new Roadmaster station wagon this month with a revolutionary magazine ad buy targeted at specific ZIP codes.

Magazines have previously offered demographic and geographic buys, as well as ink-jet printing, for personalizing messages. But the Buick program is unusual because it represents a marketer and its agency coming up with their own target list.

"I'm not aware of anyone who's ever done it this way," said Karen Ritchie, senior VP-director of media services in McCann's Troy, Mich., office.

Starting in issues being delivered the week of April 15, the ads will run in *Time, Newsweek, U.S. News & World Report, People, Sports Illustrated, Entertainment Weekly* and *Money*.

The Buick program is unusual because it represents a marketer and its agency coming up with their own target list.

The targeted ads will run in issues going to 4,940 of the country's more than 40,000 ZIP codes, said Jay Qualman Jr., general director of advertising for the General Motors Corp. division.

Newsweek U.S. Publisher Peter Eldredge said the GM buy was, to his knowledge, the first of its kind and predicted similar deals would be forthcoming.

"I think it's an exciting opportunity for Buick," he said. "Quite frankly, I see this kind of target marketing happening more in the future. It's a tool that helps advertisers reach their best sales prospects."

Ms. Ritchie said Buick has been the prime user of the agency's proprietary McMapping data-base program developed last year to explore lifestyle, demographic and media usage information about specific target audiences. McCann pulled together information from several data bases and the U.S. Census Bureau to develop its program. It's never been used for a magazine ad before.

In the case of the Roadmaster launch, Buick wanted to reach households that would be

(Continued on Page 36)

Michelob enlists in draft battle

By Ira Teinowitz

Anheuser-Busch will take direct aim at Miller Brewing Co.'s Miller Genuine Draft by using similar marketing imagery to introduce Michelob Golden Draft.

The battle begins April 15 when A-B starts testing Michelob Golden Draft and Michelob Golden Draft Light in six markets. Packaging, parts of the advertising, and pricing for the two new brews resemble those for Miller Genuine Draft and Genuine Draft Light.

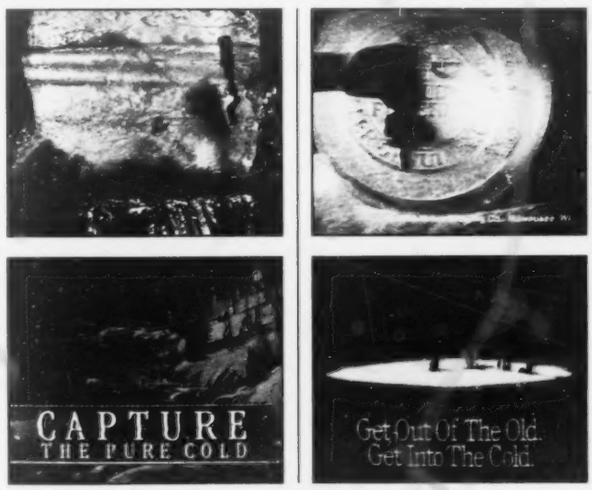
The new Michelobs will come in clear bottles, like Genuine Draft, and bear similar black and gold labels. Even the bar call, "MGD," which Miller has used in promotions, is the same.

Miller's campaign from Backer Spielvogel Bates, New York, is themed "Get out of the old, get into the cold." Theme for four 30-second TV spots in A-B's introductory test campaign via DDB Needham Worldwide, Chicago, is "Capture the pure cold."

The new Michelob brands are "cold-filtered," just like Genuine Draft, and some TV spots show a beer barrel made of ice being tapped, a signature image in Miller Genuine Draft's TV spots.

In launching the new brews, A-B

(Continued on Page 34)



Michelob **Miller**

Spots for Michelob Golden Draft feature a keg made of ice and use the word "cold" in the end frame, the same as Miller Genuine Draft.

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NEWS SUMMARY

■ **Michael Miles,** new chairman-ceo of Philip Morris Cos., is expected to build an international food empire. **1**

■ **Buick** will launch its Roadmaster station wagon this month with ads in seven magazines targeted at specific ZIP codes where McCann-Erickson determined its best prospects live. **1**

■ **Michelob Golden Draft** and Michelob Golden Draft Light will be introduced into six test markets April 15. **1**

■ **Cold cereal** sales volume fell 1% last year, leading to predictions of lower ad spending in that category. **3**

■ **DDB Needham's** "guaranteed results" plan has apparently generated little interest among its U.S. clients. **3**

■ **Midway Airlines'** Chapter 11 filing shows $1.8 million owed to Campbell-Mithun-Esty. **3**

■ **Hachette Magazines** said it's exploring reports 8.4% of its Paris-based parent is owned by a company with ties to Iraqi leader Saddam Hussein. **3**

■ **Mobil Chemical Co.** will break a campaign next week for its Hefty Steel-Sak bags that use 30% less material. **4**

■ **Lawn and garden** marketers will heavy up on organic products this summer. **4**

■ **Earth Day USA** said few sponsors will tie in to the annual environmental observance April 22. **4**

■ **American Honda,** the Japanese import car sales leader, is adding incentives to counter a sales slowdown. **6**

■ **Outdoor advertising** spending dropped 2.4% last year, according to LNA figures. **6**

■ **Pepsi-Cola Co.'s** campaign to lure restaurants away from Coca-Cola won over the Howard Johnson's chain. **12**

■ **Spring break** promotional activities at the popular warm-weather gathering spots are more subdued this year. **16**

■ **William A. Robinson Inc.** sales promotion agency is buying itself back from Ketchum Communications. **28**

■ **General Mills** will go national with its Betty Crocker MicroRave single-serve cake and brownie mixes. **31**

■ **Sony Corp.'s** deal with entertainer Michael Jackson includes albums, feature films, and video and TV work. **32**

■ **National Advertising Division** resolved four cases in February, including one involving ad claims for Orville Redenbacher's Light Microwave popcorn. **32**

■ **The top Belding award** from the Advertising Club of Los Angeles went to ABC-TV for three spots promoting its "Twin Peaks" series. **33**

■ **Reebok International** split its $70 million account between Chiat/Day/Mojo and Lois/GGK. **37**

■ **Movie director Spike Lee** said movie marketers put less promotional money behind black-themed films. **38**

■ **Pizza Hut** named Robert J. Perkins, president of Chiat/Day/Mojo, New York, as senior VP-marketing. **38**

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ABP MPA

DDB Needham 'results' plan draws yawns

By Gary Levin

NEW YORK—DDB Needham Worldwide's "guaranteed results" compensation plan may be a guaranteed failure so far.

An *Advertising Age* survey of DDB Needham's 25 major U.S.-based clients revealed none has signed up for the unusual plan, which bases client payment to the agency on whether specified sales or other performance goals are met.

The plan, a brainchild of Chairman-CEO Keith Reinhard, was unveiled with great fanfare last May at a press breakfast attended by more than 200 at the posh Four Seasons restaurant.

K. Reinhard

Major clients who say they declined to participate in the plan include Anheuser-Busch Cos., General Mills, H.J. Heinz Co., Hershey Foods Corp., Mobil Oil Corp., McDonald's Corp., Ralston Purina Co. and Jos. E. Seagram & Sons.

American Airlines and S.C. Johnson & Son, both of whom DDB Needham works for only outside the U.S., also said they aren't participating in the guaranteed-results plan.

When DDB Needham announced the plan, the agency promised it would sign up 10 clients by January.

In a recent interview with *Ad Age*, Mr. Reinhard maintained the agency has five signed agreements in the U.S. and six more overseas that are either "directly or along the lines of the guaranteed-results plan."

The plan was "very instrumental" in five new clients' decisions to hire the agency, he said, though he acknowledged none of those clients signed up for the program.

Mr. Reinhard refused to identify any of the clients.

Many industry observers say that wrinkles in the plan—including a demand that the agency control the "consis-

(Continued on Page 34)

Change bowls over cereal marketers

New-product intros, ad spending waning

By Julie Liesse

The food industry's perennial star category has lost its luster.

Sales volume of ready-to-eat cereals fell 1% last year for the first time in more than a decade. And now cereal marketers concede the era of heavy ad spending may be over.

That's not all that's changing. The six big cereal companies are grappling to redefine marketing rules in an environment where new products have little impact, private labels are the most dreaded competitor and market share is no longer worth virtually any price.

Has the cereal industry hit a no-growth plateau? No, Steve Sanger, president of General Mills' cereal division, told food analysts last month.

"This is not a zero-growth market," agreed Quaker Oats Co. Chairman-CEO William Smithburg.

Nevertheless, unit volume growth predictions range from 1% to 4%, a far cry from the 1980s' annual increases of 5% or more. And that portends change.

"I view Basic 4 and Triples and Cinnamon Mini Buns [the three newest cereal brands] as the last gasp of the old template, the last of the old style of executing new products . . . with $35 million marketing budgets and positioned as the second coming," said Polly Kawalek, director of marketing for new cereals at Quaker.

Traditionally, new products with big ad campaigns have driven the category. Measured media spending alone likely was close to $900 million in 1990 and totaled $839 million in 1989. In a category where 1 share point is worth $72 million, there's always been plenty of incentive to invest in new products.

But some now say the category is saturated, with 220 different products and few if any consumer desires unaddressed.

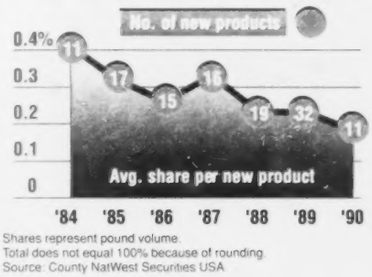
Only 31 of the 220 brands sold today have shares of 1% or better, the same number as in 1985, when there were just 145 brands, General Mills' Mr. Sanger said.

Through the 1980s, each year's crop of new products

(Continued on Page 33)

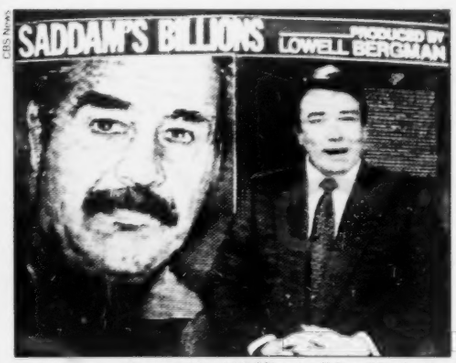
Tough times for new cereals

The 11 new products in 1990 averaged a paltry 0.18% market share. But the 11 new products in 1984 gained a 0.41% share.



Shares represent pound volume.
Total does not equal 100% because of rounding.
Source: County NatWest Securities USA

John Hall



CBS News

A report by "60 Minutes" has Hachette checking into the publisher's shareholders.

Defusing the link to Iraq

Hachette studies charges as advertisers hold firm

By Scott Donaton

NEW YORK—Hachette Magazines executives moved quickly last week to minimize fallout from a report charging Iraqi President Saddam Hussein indirectly owns a sizable stake in its French parent.

Paris-based media giant Hachette SA publishes 15 consumer magazines in the U.S., including *Elle*, *Woman's Day*, *Road & Track*, *Car & Driver* and *Stereo Review*.

The publishers of those magazines placed emergency calls to their top advertisers last week, reassuring them that Hachette is taking steps to explore the matter.

At press time, no advertiser had canceled or suspended schedules, said Exec VP-Publishing David Pecker.

"Other than a lot of jokes, I think advertisers are sophisticated," he said. "They realize that you can't control who buys your stock."

"Typically, we don't put ownership pro or con in the mix when we evaluate a magazine. But these are special circumstances."

Saddam Hussein's alleged financial link to Hachette was revealed in a segment on CBS-TV's "60 Minutes" broadcast March 24. The report charged that Montana Management, a Geneva-based company that controls 8.4% of Hachette and is its second largest shareholder, is a front for investors acting on behalf of the Iraqi government.

Less than 48 hours after the report, Hachette said in a statement from Paris that it had launched an investigation to "determine the identities of Montana Management's shareholders."

If it could establish an Iraqi connection to Montana, Hachette said, it would "ask the appropriate authorities to enforce the U.N. resolutions regarding the freeze of Iraqi assets" and try to acquire Montana's shares.

In a previous statement, Hachette stressed Montana "never had any influence at any time over Hachette since they have

(Continued on Page 35)

Midway filing is blow to CME

Reorganization petition shows troubled airline owes shop $1.8M

By Ira Teinowitz

Midway Airlines' filing for Chapter 11 bankruptcy reorganization is a $1.8 million headache for Campbell-Mithun-Esty, Chicago, listed as one of the airline's unsecured creditors.

The money represents a combination of production and media placement fees, most of it for media placement, said CME President Marv Goldsmith.

He said not all the media had been paid yet by CME, and its lawyers are looking closely at the agency's media contracts to determine liability. He wouldn't estimate the amount still unpaid.

"Any liability is significant as far as CME is concerned," Mr. Goldsmith said.

Still, CME officials said they will keep serving Midway and hoped the tab eventually would get paid. A meeting of the airline's creditors is set for this week.

"Our financial arrangements going forward are satisfactory, and we will continue to place media and execute production in support of Midway's marketing and advertising programs," Mr. Goldsmith said in a memo to agency staffers. He didn't further outline the arrangements, which may call for Midway to pay upfront for future media placement.

CME's contracts with media reportedly are the standard ones in the industry and say little about Chapter 11 filings. The American Association of Advertising Agencies recently recommended agencies limit their liability to media bills already paid to them by the client.

"We will continue to place media and execute production in support of Midway's marketing and advertising programs."

CME is at least the fourth agency to be hit with a hefty bill recently as a result of Chapter 11 filings.

In February, Carter Hawley Hale Stores' petition said it owed Cole & Weber, Seattle, $3.5 million. In January, G. Heileman Brewing Co.'s petition listed $563,754 owed to Della Femina, McNamee, New York. Continental Airlines' December petition said Wells, Rich, Greene was owed $7 million.

Recession slows Honda's parade

By Cleveland Horton

The shine may be off American Honda Motor Co.

For years, the Japanese auto marketer has been recession-proof and able to avoid the rebate jungle that plagues U.S. carmakers.

But recently Honda did the unthinkable: The marketer increased incentives, slowed production and began storing inventory.

While all these actions are common for other car marketers, they're a revolutionary act for Honda, with sales that characteristically outperform the industry.

Honda's recent actions are raising questions about the future of Japanese car companies.

For almost 15 years, sales of these cars in the U.S. have risen steadily, regardless of the industry's overall state. But as consumer confidence crashed and patriotism revved up during the Persian Gulf War, there have been questions about the importers' continued growth.

"We're in the same soup as everyone else," said Eric Conn, Honda's senior advertising manager.

Honda executives, however, bristle at suggestions that its recession tactics are nearly as drastic as those of competitors. Honda's $900 per car incentive, for example, is directed at dealers and not advertised. Likewise, cutting production by 5,000 cars at two Ohio factories represents just 1.2% of the plants' 1990 output. And the well-documented 2,000 cars parked outside the factory represent only 1½ days' supply.

Curiously, the roots of Honda's mystique date back to the economic downturns of the late 1970s and early 1980s. During those tough times, the marketplace turned in droves to the Japanese alternative.

"In the past, what the Japanese had to offer were small, fuel-efficient cars that were less costly, both to buy and to maintain," said Cynthia Certo, director of forecasting at Integrated Automotive Resources, a research company. "That's no longer true. They have all moved way up [in price and size], and now they're facing the same factors that are hurting the domestics."

Both previous recessions were accompanied by higher gas prices and scarce supplies. Those factors sent consumers pouring into import dealerships for high-mileage, low-price small cars.

Honda ads have poked fun at the "wayward" competition, but consumer attitudes may be changing.

This time, however, the price of gas hasn't increased significantly. And, further, few cars—domestic or imported—can boast any significant fuel efficiency advantage.

Honda doesn't plan any revolution in its award-winning, generally understated advertising. But Mr. Conn said he expects the 1992 campaign, breaking in the fall, to be "a little more direct, a little more informative with more of a call to action. For us, that's pretty tough stuff."

Rubin Postaer & Associates, Los Angeles, handles the estimated $175 million Honda account.

With a down economy, Honda may also be hurt by its premium pricing strategy.

"People now are willing to give up quality for price," said Ronald Glantz, an industry analyst who's senior VP at Dean Witter Financial Services Group.

"Aggressive pricing will be one of the biggest factors in coming years," Ms. Certo said. Although rebates "will probably be around forever," she said, they won't necessarily stimulate sales.

Also, as a market leader, Honda is now more subject to attack by other companies.

For example, General Motors Corp.'s Buick division recently aired a spot that makes no bones about its desire to unseat Honda.

Honda's award-winning "Art Gallery" spot showed an Accord hanging on a gallery wall, then being driven away. In the Buick commercial (AA, Feb. 25), a driver gets out of a Toyota Camry (that looks like an Accord) hanging on a wall and walks over to a Regal.

Toyota Motor Sales USA and Nissan Motor Corp. USA are training their sights on Honda but in different ways. Toyota's Camry goes head-to-head with the Accord, while Nissan positions its vehicles in areas where Honda isn't as strong. For example, in the low end of the import market, the Nissan Sentra has a price advantage over the Honda Civic.

Neither attacks the Japanese import leader in ads directly, but both are more willing than Honda to run retail ads and use consumer rebates.

For its part, Honda is looking toward the fall, when it will introduce redesigned versions of its Prelude and Civic models. For the second-tier marketers, including relative newcomer Daihatsu Motors of America and long-troubled Suzuki of America Corp., hanging on until the fall poses a challenge for their dealers.

Observers like to credit Japanese companies for their ability to sacrifice quarterly earnings for long-term market share gains. However, North America may no longer be as attractive for future profits.

"These days, when you take your lumps, it's no longer certain that you'll be profitable in five years," said Jesse Snyder, director-product analysis for AutoPacific Group. □

Raymond Serafin contributed to this story.

Doug Goodman

Bob Bloom (l.) and his mother, Evelyn (seated), attended on behalf of Sam Bloom; Pat Dougherty represented her late husband, Phil; Carl Ally (r.) was the third honoree.

Ally, Dougherty, Bloom enter Hall

NEW YORK—Ad executives Carl Ally and the late Sam Bloom, along with Phil Dougherty, the late ad columnist for *The New York Times*, were inducted into the Advertising Hall of Fame last week.

Mr. Ally, former chairman of Ally & Gargano and founder-ceo of Carl Ally Inc., was cited for his former agency's breakthrough creative work for clients including Volvo Cars of North America, Hertz Corp. and Federal Express Corp.

Mr. Bloom founded the Bloom Agency in Dallas in 1952 after a 32-year career in newspaper publishing. The agency grew steadily, expanded out of Texas and was recently bought by FCA, Paris, and renamed Bloom FCA. Mr. Bloom died in 1983.

Mr. Dougherty covered the ad industry for the *Times* for 22 years. He died in September 1988.

Mr. Ally was on hand to accept the award. Mr. Bloom's son Bob, chairman-ceo of Bloom FCA, and other family members accepted Mr. Bloom's award, while Mr. Dougherty's wife, Pat, accepted the award for her husband. □

Outdoor spending slips in '90

By Alison Fahey

Spending on outdoor advertising showed its biggest decline in at least a decade last year, according to new figures from LNA/Arbitron Multi-Media Service.

Industry experts were quick to blame the drop on overall economic turmoil, the Persian Gulf War and the influence of special-interest groups.

Overall ad spending dropped 2.4% to $688.8 million in 1990, LNA reported.

"It was a tough paper route out there last year," said Tommy Teepell, senior VP of the Institute of Outdoor Advertising.

But he contended LNA figures are under-reported and ad spending probably stayed flat, rather than declined. The IOA is conducting a third-party audit, but it hasn't been completed.

Patrick Media Group, the nation's largest outdoor company, had a 1% decline in ad spending in 1990, said Tom Donohue, director of marketing services.

"The three categories that we took a hit with were the [local] radio business, car dealers and tobacco," Mr. Donohue said, noting a loss of about $3 million in tobacco spending in 1990.

The cuts "mirror what was going on with our economy," he said.

Spending declined in eight of the top 10 outdoor categories, with the biggest slashes coming from the publishing and media category (22.5%) and automotive (11.2%), LNA reported.

"In 1990, there was not a substantial increase in out-of-home from our agency vs. 1989," said Helen Giles, VP for out-of-home media at Lintas:Campbell-Ewald, Warren, Mich., the agency of record for Chevrolet. "I would say it was pretty flat."

LNA also reported cutbacks in 1990 spending from tobacco advertisers (2.8%) and alcohol-related marketers (1.6%), whose inner-city boards came under fire from special-interest groups concerned that the advertisers were unfairly targeting youths and minorities.

In response, the Outdoor Advertising Association of America in 1990 instituted a "code of advertising" policy encouraging its member companies to place decals on boards in certain areas to identify them as permanently off-limits to tobacco- and alcohol-related ads.

That voluntary policy will likely result in a continued loss of spending from tobacco and liquor marketers.

The two biggest outdoor companies, Patrick and Gannett Outdoor Group, have tagged more than 8,200 board faces between them, said Roland McElroy, OAAA president.

"Let's face it, outdoor is still not a primary buy," said one agency media executive who asked not to be identified. "But more importantly, some of the [medium's] biggest categories, like retail, had problems of their own."

Gannett, which sells ad space on transit shelters as well as outdoor boards, said it bucked the soft environment and had overall ad spending increases of 5% in 1990.

That growth was due, in part, to an infusion of some $2 million last year in the company's marketing group that went to hiring more personnel and installing computer systems used as marketing tools, said James Keller, VP-marketing.

For 1991, at least the first half of the year, the outdoor advertising industry may still have to weather tough times as some of its biggest spenders continue to cope with internal troubles.

For example, the publishing and media category, in a slump for more than a year, doesn't expect a turnaround in business until later this year or possibly early 1992.

And many retailers, for example, who took a blow during the crucial holiday selling season, have indicated their ad spending would continue to stay flat, or decline, until at least mid-1991.

In the automotive category, most ad spending hinges on automotive sales, which have been sliding.

At Lintas, Ms. Giles said the agency has already canceled some outdoor buys for Chevrolet for early 1991 due to slow car sales.

"I was more optimistic for 1991, but things turned around," she said, noting that even with the cuts, the agency's outdoor spending for automotive may be up slightly over 1990.

"We thought it was going to be a good year and then car sales really went down, and of course, our budgets were affected by that," she said.

But some outdoor company executives were more upbeat.

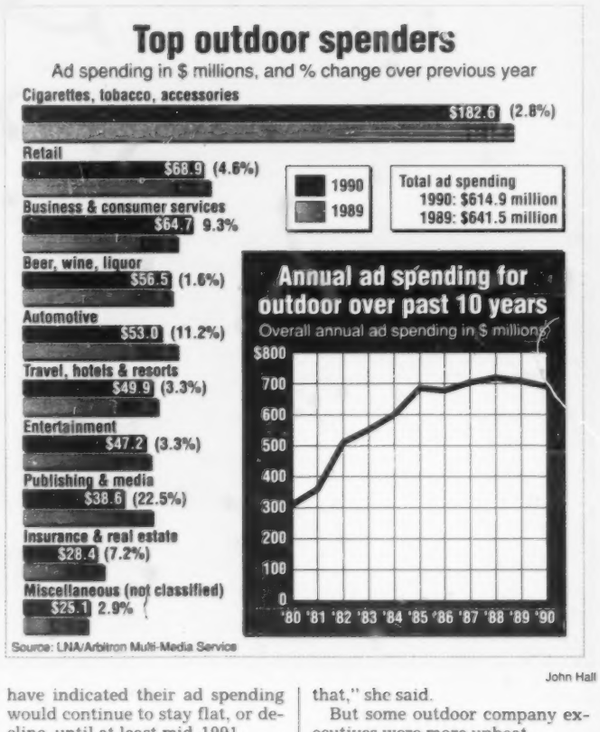
"Most companies are having a strong first quarter," the IOA's Mr. Teepell said.

Patrick's Mr. Donohue agreed.

"As a company we're doing extremely well," he said. "We've put an emphasis on the package-goods area and had great success with that."

Patrick also said that the entertainment industry, in particular movie studios, was spending more.

"1991 is a year of opportunity for the out-of-home industry," Gannett's Mr. Keller said. "Advertisers can no longer continue to think traditional media." □



John Hall

Cola feeding frenzy

Pepsi ad challenges Coke's restaurant tactics

By Alison Fahey and Scott Hume

Pepsi-Cola Co. is regaining ground on Coca-Cola in their war over the restaurant market.

The battle waged in trade ads and restaurants promises to get rougher before the fizz is gone, industry observers say.

Pepsi last week announced it signed with Franchise Associates, South Weymouth, Mass., franchisor of the 120-unit Howard Johnson's Restaurants, a Coke client for 15 years.

That conquest is the latest of several for Pepsi as it wages an aggressive campaign to discredit Coca-Cola by alleging Coke is giving preferential treatment to McDonald's Corp. at the expense of its other restaurant clients.

Pepsi's three-page ad ran in February and March in *Nation's Restaurant News* and claimed "Coke classifies its restaurant accounts into two distinct categories."

In one category, Pepsi says, are Burger King Corp.; General Mills' Red Lobster USA and Olive Garden; Hardee's Food Systems; Popeyes Famous Fried Chicken & Biscuits; Rax Restaurants; and Wendy's International. The second category is just McDonald's.

The difference, Pepsi's ad alleges, is that "this year, while Coke required national accounts like you to absorb a per-gallon price increase, we hear there was no change to McDonald's net price. In effect, Coke's pricing policy is requiring you to subsidize the operations of your largest competitor. Which means this competitor has even more dollars to pour into its fight for share of customers."

Pepsi's divide-and-conquer tactic is the same one Coca-Cola has used successfully in the past.

Pepsi's ad was dismissed as "just part of the cola wars" by Wendy's VP-Communications Dennis Lynch. "We feel we're getting excellent treatment by Coca-Cola."

But Coca-Cola reacted strongly. "The Pepsi claims are total fabrication," said Randy Donaldson, a Coca-Cola spokesman. "They are absolutely false, and we are planning to respond accordingly."

He wouldn't elaborate.

But Pepsi's divide-and-conquer tactic is the same one Coca-Cola has used successfully in the past. After PepsiCo bought Kentucky Fried Chicken Corp. in 1986, giving it, with Taco Bell and Pizza Hut, ownership of three of the 10 largest fast-food chains, Coca-Cola trade ads argued restaurants were subsidizing rivals.

The tactic worked: Last year, Burger King and Wendy's switched to Coca-Cola from Pepsi.

But Pepsi has refused to give up. It's signed up Marriott Corp., Metromedia Steakhouses, which operates the Ponderosa Steakhouses and Bonanza Family Restaurants chains, the National Amusements theater chain and Norwegian Cruise Line.

Pepsi now holds a 26.3% share of fountain sales, said Jesse Meyers, editor of *Beverage Digest*. Coca-Cola's share is 59.7%. Pepsi has regained, at Coca-Cola's expense, the share it had before last year's Burger King loss dropped it to about 21% (vs. Coca-Cola's 65%).

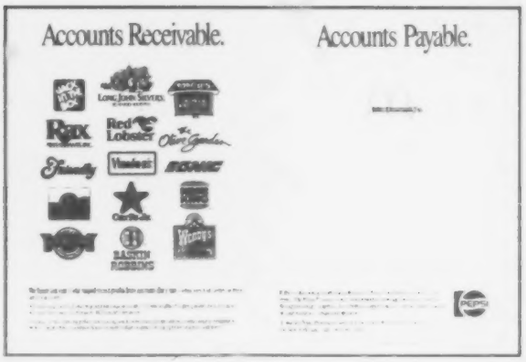
Marriott's shift last month, according to an internal Coca-Cola memo leaked to Atlanta newspapers, followed Coca-Cola's refusal to lend Marriott $50 million to $100 million. The memo reportedly suggests Pepsi may have offered such a deal to win the business.

"Coke's letter is grossly inaccurate and bad form," said Gary Gerdemann, manager of public relations for Pepsi. "[Our] agreement with Marriott is based on product, equipment and services. . . . We would not violate any legal or ethical contract standards."

Pepsi will keep running the anti-Coca-Cola ad, created by Tracy-Locke, Dallas, and will stay aggressive, Mr. Gerdemann said.

"We've run ads directed to the restaurant trade before and they've been competitive," he said. "The fountain business is gruelingly competitive, so the advertising would reflect that."

"The cola wars have moved into the on-premise trenches," Mr. Meyers said. "I suspect we'll see a lot more of this" kind of advertising from both companies. □



Pepsi-Cola may have won some business with its trade ad: It signed Howard Johnson Restaurants, a 15-year Coca-Cola client.

- **Oscar Mayer Foods Corp.** will use its sponsorship of the U.S. Olympic Team as a focus for a multidimensional marketing program, including Olympic-themed advertising; Olympic rings on Oscar Mayer labels; free standing inserts; and local event sponsorship. Oscar Mayer also will "pay" for part of its sponsorship by supplying training centers with its Oscar Mayer, Louis Rich, Louis Kemp and Claussen products. "This is the biggest marketing event we've ever done," said Steve Ligouri, VP-marketing, established brands. Olympic ad campaigns for Louis Rich and Oscar Mayer are scheduled to break in the second half of the year. J. Walter Thompson USA, Chicago, handles Oscar Mayer products; D'Arcy Masius Benton & Bowles, New York, handles Louis Rich brands. Frankel & Co., Chicago, is promotion agency for Oscar Mayer Foods Corp.
- **Dreyer's Grand Ice Cream** today breaks a $10 million spot TV campaign in 14 markets. Humorous spots feature individual flavors with the tag "It's not your normal French Vanilla" (or whichever flavor is featured). Goldberg Moser O'Neill, San Francisco, handles.
- **Nestle Chocolate & Confections Co.** is featuring golfer Chi Chi Rodriquez in its new "S-Crunch-ous" campaign for Nestle Crunch bars. The spot breaks nationally today via Jordan, McGrath, Case & Taylor, New York.

- **Adobe Systems**, Mountain View, Calif., narrowed its $3 million to $5 million software account review to Foote, Cone & Belding; Goodby, Berlin & Silverstein; and Tallant LaPointe & Partners, all San Francisco. Former agency HL&S Partners, Mountain View, closed last month.
- **Subway Sandwiches**, Milford, Conn., narrowed its review to 12 shops and plans to hear presentations from a selected three late this month. Beber Silverstein & Partners, Miami, resigned the approximately $2 million creative assignment in February. Subway buys media.
- **Superior Rent-A-Car**, Orlando, Fla., to **Leighton/Brydger**, Fort Lauderdale, first agency for its $4.5 million account. Spot TV and print are slated to break in May.
- **Roman Meal Co.**, Tacoma, Wash., to **Grey Advertising**, Los Angeles, from McCann-Erickson, Seattle, for its $4 million account.
- **A.T. Cross Co.**, Lincoln, R.I., to **Hill, Holliday, Connors, Cosmopulos**, Boston, from Potter Hazlehurst, E. Greenwich, R.I., for its estimated $4 million writing instruments account.
- **Venture Stores**, St. Louis, to **Bloom FCA**, Dallas, first agency for the retailer's estimated $3 million account.
- **Washington Mutual**, Seattle, to **McCann-Erickson** from Evans/Kraft for the federal savings bank's $3 million to $5 million account. Evans/Kraft in February resigned the account after 49 years to take on the estimated $5 million account of Seafirst.

Spreadsheet battle looms

By Bradley Johnson and Alan Radding

The success of Microsoft Corp.'s Windows, a software package that makes personal computers easier to use, is opening the way for the biggest shake-up in the software market since the early 1980s.

The battle begins this summer in the second largest software category as the three top vendors of spreadsheet programs determine who's going to take the lead in the '90s.

Windows, which gives IBM-compatible PCs many of the "mouse"-operated features of Apple Computer's Macintosh, is generating reactions from all fronts.

The Federal Trade Commission is investigating whether Microsoft has behaved fairly in marketing Windows. The FTC is probing whether Microsoft misled rivals about Windows' potential in an effort to gain an unfair advantage for its products using the operating system.

Apple last month issued a study claiming Macintosh offers a price/performance value superior to Windows. IBM Corp. is pushing OS/2 as an alternative to Windows.

But Windows quickly is becoming the industry standard, with software vendors scrambling to make their products compatible with it. Hence the coming battle over spreadsheets.

Microsoft, the No. 1 vendor of PC software, has the most to gain. Best known for creating Windows and other operating systems—the invisible software that allows computers to run other programs—Microsoft is an up-and-comer in applications software such as spreadsheets and word processing.

The company with the most to lose is No. 2 software vendor Lotus Development Corp., whose Lotus 1-2-3 has been the dominant spreadsheet since 1983. Lotus will be launching a Windows-based Lotus 1-2-3 this summer to regain slipping market share.

Because Microsoft has been selling Windows-based spreadsheets for three years, "Lotus is going to be in the unusual position of [chasing] a market leader," said Marshall Moseley, software analyst at Dataquest, a market research company. There's "a distinct possibility" that Lotus will slip from the top when the Windows market opens fully in the mid-1990s.

Taking on both companies will be Borland International, the feistiest and fastest-growing major spreadsheet marketer, which will release a Windows-based version of its hot-selling Quattro Pro later in the year.

"As the Windows spreadsheet market explodes, it will be wide open," said Peter Horan, senior VP-account group director at Microsoft's agency, Ogilvy & Mather, Los Angeles. "The momentum is going to be folks coming in and buying their first Windows applications. We are all going to be out there shouting to them."

The battle will be fought through ads in business and computer titles including *Lotus*, spun off by Lotus Development in January.

But more critical than paid media may be direct mail, seminars for current spreadsheet users, aggressive pricing strategies on upgrades and public relations.

"Advertising is not the end-all of what drives sales," said Stephen Kahn, Borland's VP-general manager for spreadsheets.

Borland, handling advertising in-house, bashes Lotus constantly in ads. Mr. Kahn refused to discuss marketing strategies for the Windows-based Quattro Pro due later this year, but Borland likely will keep up its attack.

Lotus since fall has focused ads on the latest version of 1-2-3 while scrambling to develop Windows software. A major ad campaign is being planned for the expected introduction of 1-2-3 for Windows this summer, said Laurie Phelan, Lotus ad manager. Other ads will support a version of 1-2-3 for the Macintosh later this year. Hill, Holliday, Connors, Cosmopulos, Boston, handles.

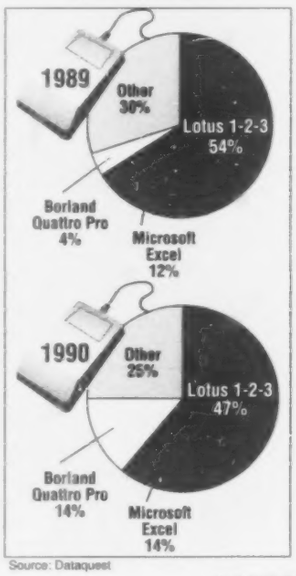
The campaigns will support Lotus' declared strategy of having a version of 1-2-3 for every computer and operating system.

Microsoft is trying to secure Excel's position before others move in. Launch ads for the latest rendition, Excel 3.0, broke in January in business and computer publications. An eight-page brochure explaining Windows ran last month in *The Wall Street Journal*, *Business Week* and newsweeklies. Microsoft is plotting its strategy for the second half.

The three companies command 75% of unit sales in spreadsheets, with smaller brands carving up the rest, Dataquest said. With North American sales last year of $701.3 million, spreadsheets represent the second largest category, behind word processors, in the $4.6 billion software applications market, Software Publishers Association said. □

Windows opens field

Market share for worldwide unit shipments of personal computer spreadsheets.



Source: Dataquest

JOHN SMITHER

MEDIAWORKS

Titles dance with Costner

By Janice Kelly

Cover Story is a monthly ranking of celebrities' popularity as reflected by their appearances on more than 30 leading U.S. publications.

Magazine editors went on a spring cleaning spree in March, packing away last year's overexposed faces and introducing a new lineup of hot celebs.

Actor-director **Kevin Costner** scored 12.5 points in the Cover Story survey to capture first place.

It was his first appearance since he tied with Donald Trump for eighth place in December.

The survey assigns point values to cover appearances based on such factors as prominence of the photo and frequency of the publication.

The focus was on Mr. Costner for his movie, "Dances With Wolves." The film went on to win seven Oscars, including best director for Mr. Costner.

Gracing at least two covers already in April, Mr. Costner may keep the crown another month.

Kevin Costner has won more than his Oscars.

Magazine editors also devoted substantial cover space to **Jodie Foster**, hyping her latest psychothriller, "The Silence of the Lambs." She finished second with 9.5 points.

Third place went to **President Bush** with 8 points. Most of his coverage focused on the allied victory over Iraq.

Tied for fourth with 6 points were the **Duchess of York**, due to rumors of a troubled marriage, and **Whoopi Goldberg**, for publicity preceding her Oscar as best supporting actress for the movie "Ghost."

Robert DeNiro and **Val Kilmer** tied for sixth with 5 points each. Mr. DeNiro, nominated for an Oscar for "Awakenings," stars in the new film "Guilty by Suspicion." Mr. Kilmer has received much attention for his role as Jim Morrison in the movie "The Doors."

Sharing eighth with 4 points each were **Julia Roberts**, the "Pretty Woman" star whose latest movie is "Sleeping With the Enemy"; **Vanna White**; **Oprah Winfrey**; **Kirk Douglas**, who was injured in an airplane crash; and **Tammy and Jim Bakker**, who are opening a new ministry.

The top four 1990 Cover Story finishers—Madonna, Elizabeth Taylor, Donald Trump and Saddam Hussein—were hard to find on March covers. □

Radio listeners are tuning out Top 40 and tuning in country and news/talk stations, according to a fall 1990 study by Arbitron Co. and *Billboard*.

One reason for the boost in news/talk listenership was concern about the escalating Persian Gulf crisis, said Sean Ross, *Billboard* radio editor.

Country radio program directors credited the rise in that format's popularity to increased national media coverage and the appeal of younger country artists, *Billboard* reported.

Adult contemporary stations continued to earn the biggest audience among listeners 12 and older in the top 76 markets. Top 40 and adult standards were the only formats in the top 10 to lose share since fall 1989.

Top 40 may be on a slide because stations are playing less variety, making it hard to reach adults and teens, Mr. Ross said.

The survey is based on national Arbitron diary entries from Sept. 22 to Dec. 12. □

Favorite formats in radio

Listeners in the top 76 markets have touched that dial. Here is each format's quarterly share of listeners 12-plus.

Format	Fall '89	Fall '90	Format	Fall '89	Fall '90
Adult contemporary	17.0%	18.6%	Classic rock	3.3	3.7
News/talk	12.6	13.0	Adult standards	3.4	3.1
Top 40	14.5	12.8	Easy listening	6.5	2.9
Country	9.4	10.5	Religious	2.1	2.1
Album rock	8.6	9.1	Adult alternative	2.1	1.9
Urban contemporary	8.5	9.1	Classical	1.7	1.8
Oldies	5.9	6.2	Modern rock	0.7	0.9
Spanish	3.7	4.2			

Source: Arbitron Co. and *Billboard*

Advertising opportunities in print.

Men's Fitness, New York, "Man on the go—O.J. Simpson" special editorial section, July issue; ad close: April 5. Color page: $8,005.

The Sporting News, St. Louis, "NFL draft preview" special advertising section, April 22 issue; ad close: April 5. B&w page: $14,950; color page: $18,500.

Town & Country, New York, "The perfect wedding" special advertising section, June issue; ad close: April 5. B&w page: $23,030; color page: $29,640.

The New York Times, New York, "The business world" special editorial section, June 9 issue; ad close: April 8 (color); April 30 (b&w). B&w page: $29,185; color page: $42,570.

Newsweek, New York, "How kids grow" special editorial section, Summer issue; ad close: April 8. B&w page: $76,400; color page: $118,900.

Inside Sports, Evanston, Ill., "NFL football" special editorial section, July issue; ad close: April 9. B&w page: $14,610; color page: $21,805.

Elle, New York, "All about town" special advertising section, July issue; ad close: April 10. Color 1/3 page: $7,908.

Woman's Day, New York, "Summer entertainment" special editorial section, July 16 issue; ad close: April 12. B&w page: $66,495; color page: $79,600.

Shape, New York, "Cross-training fashion" special editorial section, July issue; ad close: April 15. Color page: $15,410.

Men's Health, Emmaus, Pa., "Hot new sunglasses for summer" special editorial section, July issue; ad close: April 17. B&w page: $12,055; color page: $17,000.

Movieline, Los Angeles, "Screenwriters" special editorial section, June issue; ad close: April 17. B&w page: $4,021; color page: $5,500.

Working Mother, New York, "Ethnic light" special section, July issue; ad close: April 17. B&w page: $18,943; color page: $23,100.

Parade, New York, "Science education" special editorial section, June 2 issue; ad close: April 19. Color page: $339,600.

Seventeen, New York, "Summer's best fashion" special section, July issue; ad close: April 19. B&w page: $29,500; color page: $42,750.

Compass Readings, Portland, Ore., "Golf/U.S. Open" special advertising section, June issue; ad close: April 22. B&w page: $17,110; color page: $25,900. □

OUTLOOK: NETWORKS' FALL PLANS

Sizing up nets' nightly strategies

The four networks recently presented their 1991-92 prime-time program development meetings to the advertising community. Bozell, New York, offers this night-by-night analysis of each network's strategy.

Monday: With little growth potential in the 8-9 p.m. (ET) slot, **ABC** may replace "MacGyver." "Monday Night Football" will continue at 9-11 p.m. **CBS** appears happy with its 8-10 p.m. comedies—"Evening Shade," "Major Dad," "Murphy Brown" and "Designing Women"—but may put a new show in the 10 p.m. slot if its April trial run of "Northern Exposure" doesn't work. **NBC** is looking for a companion show at 8:30 p.m. to follow "Fresh Prince of Bel Air." **Fox** will return with an 8-10 p.m. movie package of made-for-TV and theatrical films.

Tuesday: "Who's the Boss?" (8 p.m.) and "Roseanne" (9 p.m.) are the only sure hits to return on **ABC's** schedule next year. "Coach" (9:30 p.m.), "Davis Rules" (8:30 p.m.) and "thirtysomething" (10 p.m.) are questionable. **CBS** will stick with its low-cost "Rescue 911" (8-9 p.m.) and its 9-11 p.m. movie lineup. **NBC** is looking for an action-adventure hour at 8 p.m.; "In the Heat of the Night" and "Law & Order" will return from 9-11 p.m. **Fox** won't program Tuesday nights.

Wednesday: "The Wonder Years" (8 p.m.) and "Doogie Howser, M.D." (9 p.m.) will return on **ABC**, but the network may cancel "Growing Pains" (8:30 p.m.), "Anything But Love" (9:30 p.m.) and "Equal Justice" (10 p.m.). **CBS** is seeking a succession of comedies; its current 8-11 p.m. lineup of "48 Hours," "Jake & the Fatman" and "WIOU" are "borderline." **NBC** is looking for a show to follow "Unsolved Mysteries" (8-9 p.m.) and will probably keep "Quantum Leap" in its 10-11 p.m. slot. **Fox** won't program Wednesday nights.

Gary's already gone . . . will the rest of "thirtysomething's" cast follow?

Thursday: **ABC** may replace its 8-10 p.m. lineup of "Father Dowling" and "Gabriel's Fire," but "PrimeTime Live" likely will return at 10 p.m. **CBS** will probably reprogram 8-10 p.m., now slated with "Top Cops" and "Antagonists," but will keep "Knots Landing" at 10 p.m. **NBC** is expected to return with "The Cosby Show," "A Different World" and "Cheers" from 8-9:30 p.m. and will schedule either "Wings" or "Seinfeld" at 9:30 with "L.A. Law" returning at 10 p.m. "The Simpsons" will return at 8 p.m. on **Fox**, but "Babes" likely will be replaced at 8:30. One possibility to replace it is "Beverly Hills 90210."

Friday: "Full House" and "Family Matters" likely will return from 8-9 p.m. and "20/20" at 10 p.m. on **ABC**, but "Perfect Strangers" and "Baby Talk" are "iffy" from 9-10 p.m. **CBS** will try to regain Friday night but may have to move "Dallas" to 10 p.m. with a new lineup from 8-10 p.m. **NBC** will completely overhaul Friday night and go after adults 18-49. "America's Most Wanted" will return on **Fox** from 8-9 p.m.; Fox has a number of series in development for 9-10 p.m.

Saturday: In an attempt to attract young adults, **ABC** is developing several shows including a project with MTV: Music Television, and likely will bring back "The Young Riders" at 8-9 p.m. **CBS** will completely revamp this night, possibly including a news or reality show. **NBC** will try new comedies at 8-9 p.m. leading into "Golden Girls" and "Empty Nest," and may move "Hunter" to 10 p.m. "Totally Hidden Video" (8 p.m.) and "Cops" (9 p.m.) should return on **Fox**, but it will probably put new shows in its 8:30 and 9:30 half-hours.

Sunday: "America's Funniest Home Videos," "America's Funniest People" and the Sunday movie will return on **ABC** from 8-11 p.m., but the network may pull "Life Goes On" at 7 p.m. **CBS** will stick with its lineup of "60 Minutes," "Murder, She Wrote" and the "CBS Sunday Movie." **NBC** is developing new series to reach adults 18-49 leading into its movie package at 9 p.m. **Fox's** "In Living Color," "Get a Life" and "Married . . . With Children" will return from 8-9:30 p.m., but Fox will revamp 7-8 p.m. and is considering "Top of the Heap" for 9:30 p.m. "Comic Strip Live" will probably return at 10 p.m. □

Joe Mandese coordinates MediaWorks.

Agency Belding blues

ABC's 'Twin Peaks' ads snare big award

By Cleveland Horton

LOS ANGELES—Adding to the evidence that 1990 was a lackluster year for agencies, a TV network took top honors in southern California's most prestigious ad competition.

The Advertising Club of Los Angeles last week bestowed its Sweepstakes Belding award to ABC-TV for three promotional spots created in-house for the series "Twin Peaks."

The judges' decision marks the first time in the awards' 25-year history that a company, rather than an agency, has won the Sweepstakes Belding award.

The 11 judges "were tough this year," said John Hirschboeck, president of Team One, El Segundo, and chairman of the Belding Awards. "They awarded 40% fewer bowls."

While he characterized the decision as "enigmatic," he added, "What's being recognized is ideas, and they can come from the client, the direct mail house or anywhere."

The Belding move follows a decision by *Advertising Age* not to bestow Agency of the Year honors on any U.S. shop for the first time since it began giving the award in 1973.

ABC created the three award-winning spots, titled "Midget," "Coffee" and "Trickle Down," for the series' resumption last fall, when the question "Who killed Laura Palmer?" had yet to be answered.

"Twin Peaks" spawned a second award winner as well. GEM/Fattal & Collins, Santa Monica, earned a Belding bowl for a "Twin Peaks" promotion for KATU-TV, the Portland, Ore., ABC affiliate.

Three years ago, the Belding Awards generated some controversy when the judges selected a one-week promotional campaign for the Sweepstakes. The campaign, created by Della Femina, McNamee, promoted the Isuzu/-Kapulana International golf tournament and featured the car company's "Joe Isuzu" spokesman.

Chiat/Day/Mojo, Venice, last year's Sweepstakes winner, this time took home the most bowls—10—for its work for Eveready Battery Co., Dep Corp., Mitsubishi Electronics and Quaker State Minit-Lube.

Other multiple-bowl winners were: Rubin Postaer & Associates (3); Team One (3); GEM/Fattal & Collins (2); and Muse Cordero Chen (2).

The number of bowls awarded dropped to 31 this year from 57 a year ago. □

Cereal

(Continued from Page 3)

had less impact—with the average share of a new product hitting 0.23% in 1989 and 0.18% in 1990. And that's with far fewer new products.

"If you look at new-product introductions in the 1980s, they accelerated through the decade—and peaked out in 1989, when we saw 32 new products, with the estimated cost of taking those national between $20 million and $30 million each," said Kellogg Co. Chairman-CEO William LaMothe.

"With brands ending up with [subpar] shares, companies can't get a return on that kind of investment," he said.

Mr. LaMothe sees a change in marketer attitudes toward new cereals.

"It's clear all of us have cut back on new-product introductions," he said. "Here, at least, there's also a lot more discussion about market testing. We're not rushing to go national with every product."

He said he expects only about 10 new cereal products this year, down a third from last year.

"Everyone who's tried to do more than equity extensions in the past year or two has had their nose broken," one senior agency executive said.

"How much longer are we going to be in this period of hiatus, with none of us able to launch or sustain a new product?" the agency executive asked.

Quaker's new Tiny Toons Adventures—a short-term licensed cereal—epitomizes one approach to the problem: a willingness to look for niche products in lieu of big national introductions.

Ralston's experience shows the potential value of such niche products. If General Mills is "the big guy with the momentum, we're the little guy with the momentum in this market," Chairman-CEO William Stiritz said.

Fueled by licensed cereal successes Batman and Teenage Mutant Ninja Turtles, Ralston's pound volume share hit 7% at one point last year and was 6.2% for all of 1990, up from 5.6% in 1989. For the 12 weeks ended Jan. 31, the company's share was 6.8%.

The category's other new products likely will be line extensions.

Although the format may change, "new products will always be key in this category," Quaker's Mr. Smithburg said. "The cereal business is one of high frequency and low loyalty."

With new, long-awaited production capacity on line, General Mills will likely be the new-product leader this year. Its Triples and Basic 4 were introduced in half the country in February, each with $35 million in marketing support.

Those two products will be General Mills' proving ground. The No. 2 company has narrowed the market-share gap with Kellogg in the past two years.

However, the most recent short-term shares indicate Big G's share may have plateaued. After racking up a 24.3% share for calendar 1990, General Mills accounted for

"New products will always be key in this category. The cereal business is one of high frequency and low loyalty."

22.7% of pound volume in the 12 weeks ended Jan. 31.

The good news for Big G is that its rivals seem wary of spending heavily to gain share.

"We'd love to boost our share but want to do it profitably," Mr. Smithburg said.

Kraft General Foods' Post division, which in 1990 gained share for the first time in a decade, is similarly low-key. "We're a distant No. 3 in ready-to-eat cereals, and we don't want to get delusions of grandeur," said Michael Miles, the company's chairman-ceo.

Post boosted its share to 11.5% for the 12-week period. Nabisco Brands' share fell to 3.4%.

Even Kellogg, which has the most at stake, sounds cautious about its plans to regain market share. The company's share stood at 37.7% for the 12-week period. It's no secret in the industry that Kellogg would like to be back at its traditional 40% level, a level it hasn't attained since 1988.

"We sense we've got [share] stabilization out there, and we hope soon we'll start to move forward," Mr. LaMothe said. "But every 10th of a share point is being fought over. Share is not worth any cost; there has to be some judgment there. . . .

"Our emotional position is that we're still leader in the industry and can't let our share slip away forever. It's certainly true that you can buy share over the short period, but that's not what we want. We want to return to our historical share but do it with good fundamental business programs—and we'll take it over time."

So far, these attitudes haven't brought cutbacks in advertising and promotions. Instead, comparative advertising has proliferated.

General Mills, for example, introduced one of its two new cereals with the line, "If you like [Kellogg's] Rice Krispies, try new Triples."

Kellogg's brands have been attacked by General Mills, Post and Quaker, but the leader didn't join in until last year. Then, ads compared Kellogg's Just Right with General Mills' Total.

"I feel that comparative advertising is a lazy way to sell your product," Mr. LaMothe said. "We've succumbed because we're going to be competitive, and in some cases, it's the appropriate approach. It disturbs me, but it's a jungle out there."

Price promotions have been particularly intense, with $1 coupons and buy-one-get-one-free offers abounding.

Marketers' eagerness to be competitive with private-label prices is one reason for the heavy couponing. Store brands are the fastest-growing factor in the market, with a 7% share (AA, March 4).

"Without that pressure from private label, you'd see a lot of this high level of advertising and promotional spending disappear," Quaker's Ms. Kawalek said.

"There is power in absolute price points—and when you're pushing $3 for 14 or 15 ounces of cereal, you've hit a price threshold that will make the consumer go from feeling good about buying cereal to feeling bad," she said. "And all of a sudden, private-label looks pretty good."

And though their marketing strategies are changing, the six cereal companies aren't likely to give up on the category.

"The category's growth in the '80s [when sales shot up to $7 billion from $2.3 billion] has only whetted the appetite of these companies to be more aggressive," said another agency executive. □

FOR THE RECORD

KELLOGG CO. has sued Texas Assistant Attorney General Stephen Gardner for slander. In a suit filed last week in Michigan state Circuit Court in Battle Creek, the company said it was slandered by a quote from Mr. Gardner published in *The New York Times* Feb. 27. The quote was: "Kellogg constantly lies about its products. I don't believe anything Kellogg tells me. They've lied to me too many times." Kellogg is seeking a public retraction, general compensatory damages of $10,000 and punitive damages. Mr. Gardner called the suit groundless. He and Kellogg have been at odds over advertising and labeling claims.

GLENBROOK LABORATORIES, New York, has contacted several agencies about handling a line extension for its flagship Bayer aspirin brand, whose current agency is Lintas:New York, sources said. Spending would exceed $20 million.

AD SPENDING IN NEWSPAPERS last year was $32.3 billion, down 0.2% from 1989, reported the Newspaper Advertising Bureau. National advertising was up 4.4% to $4.1 billion, retail ads rose 0.9% to $16.7 billion and classified ads dropped 3.5% to $11.5 billion. For the fourth quarter, spending was $8.8 billion, down 2% from a year earlier.

TRIBUNE CO., Chicago, took a $295 million charge against 1990 earnings ($185 million after taxes) to reflect its sale of the New York *Daily News*. The charge included $60 million paid to Maxwell Newspapers, $86 million for employee compensation and other expenses, a $57 million 1991 operating loss for the *News* and a $92 million writedown of the daily's value. The company reported a net loss of $63.5 million for 1990 vs. net income of $242 million in 1989.

DUTCH BOY PAINTS has announced a $4 million-plus, three-year agreement with Turner Entertainment Network for advertising on National Basketball Association regular season and playoff games. Dutch Boy's NBA tie-in will include premium giveaways and point-of-purchase offers through paint retailers nationwide; Griswold Inc., Cleveland, handles.

AMERICAN SOCIETY of Magazine Editors named 73 finalists for its 1991 National Magazine Awards. Advance Publications' *The New Yorker* led the field with five nominations in four categories. Winners will be announced April 24. The awards are sponsored by ASME, administered by the Graduate School of Columbia University and supported by the Magazine Publishers of America.

LEGISLATION BANNING outdoor and transit ads for alcohol and tobacco died last week in the Washington state House Rules Committee without a vote. The House Healthcare Committee had approved the measure on a 10-0 vote.

FOX INC., New York, and Tele-Communications Inc., the nation's largest multiple system cable operator, have signed a broadcast/cable agreement that involves a "must carry" commitment to carry Fox programming to TCI subscribers who are currently unable to receive Fox.

NEW CAMPAIGNS: General Foods USA today breaks its first Jell-O Man commercial from Young & Rubicam, New York, on Saturday morning TV. Jell-O Man is also appearing in a color comic book being inserted into 2 million copies of Walsh Publishing Co. children's comic books. . . . **Thomson Consumer Electronics** on April 28 kicks off a contest to name the puppy sidekick of its RCA mascot, Nipper. Print and radio support; TV spots will add a tag announcing the contest. Ammirati & Puris, New York, handles. . . . **Texaco** today breaks a multimillion-dollar network, spot, cable TV and print campaign for its reformulated Havoline Formula 3 motor oil. Campbell-Mithun-Esty, Minneapolis, is the agency.

ACCOUNT ACTION: Playtex Family Products, Stamford, Conn., to **Jordan, McGrath, Case & Taylor**, New York, from Rosenfeld, Sirowitz, Humphrey & Strauss for its $8 million to $10 million Jhirmack shampoo and conditioner account. . . . **National Cable Television Association**, Washington, to **Bozell**, New York, first agency for an estimated $6 million TV and print campaign. . . . **Fox Photo**, San Antonio, Texas, to **GSD&M**, Austin, from in-house for its estimated $3.5 million account.

OBITUARY: Granger Tripp, 68, retired senior VP-creative director at J. Walter Thompson USA, New York, died of colon cancer March 20 in Mount Kisco, N.Y.

WORTH NOTING: NFL Films is negotiating with five major U.S. corporations to underwrite a planned 13-week documentary series on Operation Desert Storm, said President Steve Sabol. Mr. Sabol said the series will run this fall on the Public Broadcasting Service or cable's Arts & Entertainment or Discovery Channel. . . . **Sawyer/Miller Group**, New York, a leading Democratic political consultancy, said it will no longer work for candidates running for office in the U.S. The agency plans to focus on its corporate and international clients. . . . **Saatchi & Saatchi Co.** shareholders have approved a refinancing plan. The recapitalization includes a $96 million new stock issue. Maurice and Charles Saatchi each will be paid $547,000 this year, 28.6% less than in 1990.

NOTE

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LAST MINUTE NEWS

Benson & Hedges goes to Burnett

NEW YORK—Philip Morris USA has officially named Leo Burnett USA, Chicago, to replace Wells, Rich, Greene on its estimated $40 million to $50 million Benson & Hedges cigarette account (AA, Nov. 12, *et seq.*). The company said WRG still will handle some new products, and parent Philip Morris Cos. also gave Wells its $3 million cultural-affairs account, previously at Ogilvy & Mather. A new Benson & Hedges campaign from Burnett, themed "Quality time," began running this month in major magazines. Separately, Nintendo of America, Redmond, Wash., last week named Burnett to handle the $25 million introduction of its Super Nintendo Entertainment System, an advanced videogame console. Foote, Cone & Belding, San Francisco, keeps the original Nintendo system's $20 million account. And Burnett is considered a favorite to win much of Park Ridge, N.J.-based Sony Electronics Corp. of America's estimated $30 million consumer electronics account, now handled by several agencies.

P&G inks deal with 'People'

CINCINNATI—Procter & Gamble signed a one-year, $15 million to $20 million pact with *People* that could be expanded to include other magazines and properties in Time Warner's portfolio. The deal represents Time Warner's latest effort to secure a guaranteed share of shrinking ad budgets by offering aggressive discounts and access to its vast resources. Time Warner also is believed to be negotiating a $5 million multimagazine deal with athletic-ap-

(Continued on Page 8)

McCann savors major Nestle win

By Bradley Johnson

Nestle USA consolidated its entire $250 million to $300 million media buying account at McCann-Erickson Worldwide in one of the biggest shifts in advertising history.

McCann will manage the account through a newly formed unit, Comcord Group, expected to be based in Los Angeles, close to Nestle USA's Glendale, Calif., headquarters. The move represents a dramatic shift in media buying to the West from the East Coast.

Nestle USA was formed Jan. 1 to manage the $7 billion U.S. food business of Swiss-based Nestle SA. Twelve of the agencies that handle creative or media for the U.S. company made pitches for parts or all of the media assignment.

Though McCann was expected to pick up some media buying, it was a surprise Nestle USA opted to consolidate its entire billings at one agency.

McCann's win represents a dramatic shift in media buying to the West Coast.

McCann's importance as a creative agency for Nestle has grown recently, the company said, and that was part of the reason for choosing it for media buying. The agency recently was named to handle advertising for a new Nestle SA/Coca-Cola Co. iced coffee venture and won the bulk of the Nestle Beverage Co. creative business.

Creative billings from Nestle have grown to more than $60 million this year from less than $5 million in 1988.

McCann's extensive U.S. office network also gave the agency an advantage, said Dick Curd, Nestle USA media affairs director. Though media buying is expected to be managed in Los Angeles, McCann's New York office will assist with the Purchase, N.Y.-based chocolate business while the San Francisco office will work with the nearby beverage unit.

The decision to go with one agency was affected by the company's intent to become a leader in multimedia buys that link print and broadcast

(Continued on Page 8)

Sun makes TV splash

Computer marketer's blitz plugs workstations

By Bradley Johnson

Sunday was Sun day.

Sun Microsystems, the world leader in computer workstations but until now a stingy advertiser, made its TV debut yesterday, and it was some debut.

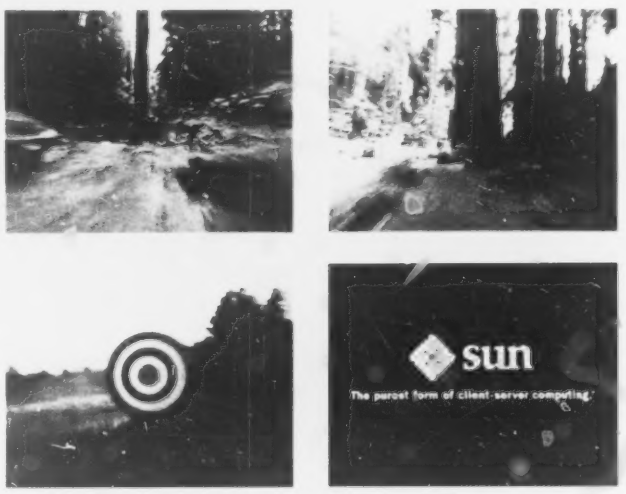
The marketer spent about $1.5 million on a one-day blitz, media buyers estimate, close to Sun's total spending last year in general-interest business publications. The company used more than 30 minutes of commercial time on the Big 3 networks and several cable channels in a teaser for a three-month print campaign that begins today with an eight-page insert in *The Wall Street Journal*.

Sun's 30-second spot ran 61 times on ABC, CBS, NBC, Cable News Network, ESPN and the Arts & Entertainment network. The broadcast buy included morning news shows, sports and prime-time programming; the commercial ran during baseball coverage on ESPN and all day on CNN and A&E.

The campaign is a "multimillion-dollar" worldwide effort with a "significantly" increased ad budget, said Marty Brandt, Sun's group manager of advertising and direct marketing. The company spent an estimated $4.6 million in the U.S. last year, exclusively on computer and general-interest business publications.

Best known for scientific/engineering worksta-

(Continued on Page 49)



Sun Microsystems' spot used the "steadicam" technique to simulate an arrow slicing through forest and meadow.

INSIDE

Silver screen: Marketers pull back on movie tie-ins. **Page 3** ▸

Tri-Star Pictures

The Telegraph (FPG) International

Fast-food: Taco Bell adds more chicken to its menu. **Page 4**

◂**Special Report:** Battle of the sexes hits package goods. **After Page 34**

H2O marketers mop damage

By Alison Fahey and Steven W. Colford

The $2.7 billion bottled water industry, stung last week by a scathing congressional report questioning purity claims, rushed to assess and limit the damage.

The International Bottled Water Association last week broke the first installment of a 10-month cable TV campaign created in-house, said William Deal, exec VP of the trade group.

The spot, scheduled before the flap, was originally supposed to be an image campaign for the industry. But it was revised at the last minute to focus on regulations that make bottled water "a safe consumer product," said Geary Campbell, manager-public relations of the association.

Future spots will address such industrywide issues as water sources, labeling and different uses, Ms. Campbell said.

The change was made before a

"The credibility of the whole industry is being called into question."

House Energy & Commerce subcommittee issued a report at a hearing last week charging some bottled water is no safer than tap water. The report didn't mention any specific marketers.

The uproar was triggered by a General Accounting Office report requested by Rep. John Dingell (D., Mich.), the committee's powerful chairman.

He called the Food & Drug Administration "inexcusably negligent and complacent" in its duty to regulate the industry. Consumers sometimes might pay "200 to 1,000 times more" for bottled water that "is often from the same source as their public water supply," he said.

Market observers agree the industry must act quickly to re-establish its credibility with consumers or face potentially serious damage.

"This is a blot on the industry itself, the credibility of the whole industry is being called into question," said

(Continued on Page 49)

June 4, 1990

BEFORE.

Ten weeks before Saddam Hussein invaded Kuwait, U.S.News warned the world of the dictator's threat.

"Remarkable prescience.... Such editorial decisions are not flukes, but evidence of thinking ahead of the curve."
The Washington Post, August 28, 1990

February 11, 1991

DURING.

During the air war, U.S.News' exclusive cover story with the former Air Force Chief of Staff revealed the incredible effectiveness of Allied air power.

"A journalistic coup.... Just as CNN left the networks running to catch up in TV coverage, U.S.News pulled off a similar feat over its newsweekly rivals."
Forbes, March 4, 1991

"The very best thing I've found so far... is U.S.News & World Report."
Major General Perry Smith,
CNN Military Analyst

March 11, 1991

AND AFTER.

In our 56-page special report, U.S.News provided the exclusive inside story of the U.S. 24th Infantry Division, which spearheaded the ground war.

*No wonder U.S.News' newsstand sales are up more than any other major magazine last year. In fact, for five years in a row, we've outperformed the newsmagazine field in newsstand growth, circulation growth, audience growth and advertising page and revenue growth.**
U.S.News. Always ahead.

U.S.News & WORLD REPORT

NEWS SUMMARY

■ **Nestle USA,** in one of the largest media buying moves ever, consolidated as much as $300 million in buying at McCann-Erickson. **1**

■ **Sun Microsystems** yesterday made its TV debut, spending an estimated $1.5 million on a one-day blitz. **1**

■ **Bottled water marketers,** stung by a congressional report that questions purity claims, last week rushed to assess and limit the damage. **1**

■ **Movie studios** and promotional tie-in partners are being cautious about the summer season, scaling back from last year's $30 million to $40 million levels. **3**

■ **Procter & Gamble** for the first time is using men in ads for Bain de Soleil. **3**

■ **Chrysler Corp.'s** latest corporate advertising, a patriotic appeal to Americans, grew from an ongoing creative shoot-out between three agencies. **4**

■ **Fast-food marketers** are playing chicken, with Taco Bell introducing low-price, low-calorie menu items and McDonald's Corp. testing fried chicken wings. **4**

■ **Environmental concern** will be this year's hottest selling pitch for tampon marketers. **4**

■ **The 1990 U.S. Census** was the most successful one in 30 years, *American Demographics* Publisher Peter Francese told the Advertising Research Foundation conference. **6**

■ **No agency** stood out in the minds of most executives surveyed by the Gallup Organization for Agency Watch, a quarterly survey. **12**

■ **Chiat/Day/Mojo** is going back to basics after a year in which billings fell by about a third. International expansion is on hold; travel has been curbed. **16**

■ **The "Made in the USA" label** is well-received by consumers, a late 1990 survey found. **17**

■ **Levi Strauss** is breaking its first national Spanish-language TV campaign. **17**

■ **Catalog retailers** are expected to reduce circulation by 10% this year to dodge the effects of February's sharp postal-rate hikes. **35**

■ **Trade promotions** accounted for the biggest part of marketing budgets last year, Donnelley Marketing reports in its annual survey. **36**

■ **Official sponsors** of the Olympics or Christopher Columbus quincentennial celebrations better watch out for ambush marketers that could sabotage their efforts. **37**

■ **Brazil's** new consumer marketing code, one of the toughest in the world, is causing concern, confusion and some fear among marketers and agency executives. **44**

■ **Kirin Brewery Co.** plans to distribute Ichiban Shibori beer in seven U.S. markets. **44**

■ **Simon & Schuster** engineered a remarkable marketing effort for Kitty Kelley's unauthorized biography of former first lady Nancy Reagan. **50**

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ABP MPA BPA

Sassy Publisher Bobbie Halfin holds a book she thinks will hit pay dirt in her hands.

PEOPLE TO WATCH

Bobbie Halfin doesn't mind getting her hands dirty.

In fact, her desk is covered with *Dirt*, the new teen male magazine to be launched this September as the alter ego of its distaff sibling, *Sassy*.

Although the recession—and the recent fits and failings of male-oriented publications such as *Smart for Men* and *Men's Life*—would seem to soil the outlook for another male magazine launch, Ms. Halfin and her team of California-based, twentysomething editors are certain they've hit pay dirt.

"The *Dirt* reader will be the same as a *Sassy* reader," says Ms. Halfin, exec VP-publisher of *Sassy* and publisher of *Dirt*.

Just because there has never been a magazine like *Dirt* doesn't mean an audience for it doesn't exist, Ms. Halfin says. About 15% of *Sassy* readers are male.

"We get letters from teen boys all the time asking us why there wasn't a *Sassy* for them," she says.

Teen males read a lot of magazines, like *Playboy*, *Rolling Stone* and *Sports Illustrated*, says Ms. Halfin, 44. But she says these magazines don't tell teens what to do about a case of acne or how to deal with peer pressure.

"These aren't things guys feel comfortable talking over with Dad or their friends," Ms. Halfin says. "It's the kind of issues that when you're 16 are the most important things in the world."

This kind of frank approach initially got *Sassy*, the impudent 4-year-old magazine, into hot water with advertisers. But *Sassy's* ad pages gradually have increased. First-quarter ad pages in the Lang Communications publication were up 35% from the same period in 1990, Ms. Halfin says.

Although Audit Bureau of Circulations reported *Sassy's* yearend 1990 circulation at 544,164, Ms. Halfin predicts its rate base will hit 650,000 this fall. *Dirt*, which initially will be published two to four times annually, will be distributed as a bonus issue of *Sassy* to attract its readers and their friends. *Dirt* also will be sold on newsstands in selected markets.

Besides traditional "guy" topics, such as skateboarding, music, fashion and sports, *Dirt* will feature humor and food, for example.

Although *Dirt's* ad rates have not yet been determined, "we've had good advertiser reaction," she says, "everyone from people in the grooming and fashion area, which we knew would do well, to entertainment advertisers and even soft-drink companies. Teen-age boys are big spenders in these areas."

Ms. Halfin thinks that by pursuing a different section of the men's market, *Dirt* can avoid the problems faced by recent new men's titles.

"While many have launched new men's magazines, no one has articulated something that was new in the men's field. In many ways they were rehashing *Playboy* without the nudity or *Esquire* in one of its many formats," Ms. Halfin says.

"I think the reason everyone is excited about *Dirt* is that this is truly unique in the men's area." □

—Laurie Freeman

Where to capture those roving eyes

TV sports, specials in their prime...

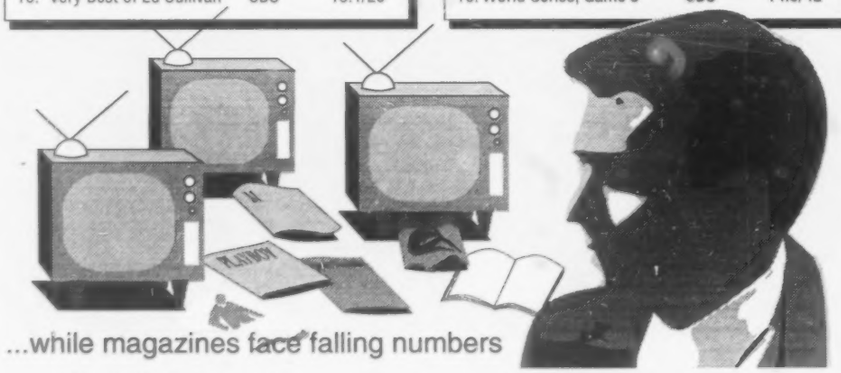
1990-91 TV season top rated prime-time programs among men

Men 18+	Network	Rating/Share
1. Super Bowl XXV post-game show	ABC	25.7/46
2. World Series, Game 4	CBS	19.2/46
Orange Bowl	NBC	19.2/40
4. World Series, Game 2	CBS	19.1/47
5. World Series, Game 1	CBS	17.9/42
6. World Series, Game 3	CBS	17.4/46
7. "Very Best of Ed Sullivan"	CBS	16.3/33
8. "60 Minutes"	CBS	16.0/36
9. "Monday Night Football"	ABC	15.9/41
10. "ABC Movie Special": Stephen King's "It," Part 2	ABC	14.2/32

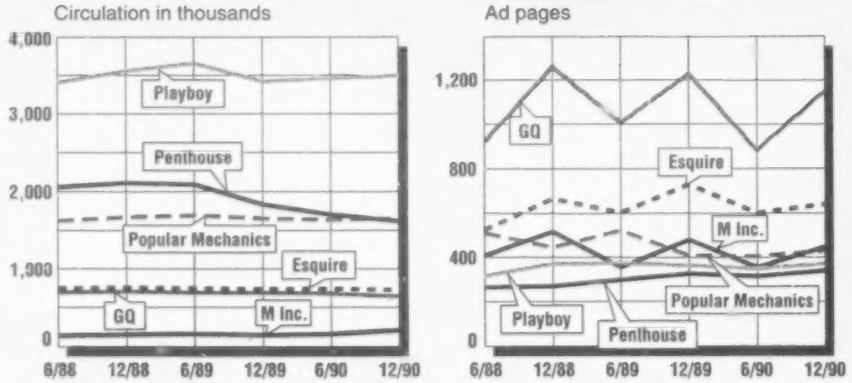
Men 18-34	Network	Rating/Share
1. Super Bowl XXV post-game show	ABC	24.1/50
2. "ABC Movie Special": Stephen King's "It," Part 2	ABC	17.8/45
3. Orange Bowl	NBC	15.5/37
4. "Monday Night Football"	ABC	14.4/44
5. "Cheers"	NBC	14.2/39
6. "Married ... With Children"	Fox	14.1/33
7. American Music Awards	ABC	14.0/37
8. "The Simpsons"	Fox	13.1/37
9. World Series, Game 2	CBS	12.9/37
10. "Davis Rules"	ABC	12.7/34

Men 18-49	Network	Rating/Share
1. Super Bowl XXV post-game show	ABC	26.1/49
2. "ABC Movie Special": Stephen King's "It," Part 2	ABC	17.6/42
3. Orange Bowl	NBC	17.3/38
4. World Series, Game 2	CBS	15.0/42
"Monday Night Football"	ABC	15.0/42
6. "Davis Rules"	ABC	14.7/35
7. World Series, Game 4	CBS	14.2/40
8. World Series, Game 1	CBS	13.7/37
9. "Cheers"	NBC	13.5/34
10. "Very Best of Ed Sullivan"	CBS	13.1/29

Men 25-54	Network	Rating/Share
1. Super Bowl XXV post-game show	ABC	28.1/49
2. Orange Bowl	NBC	19.2/39
3. "ABC Movie Special" Stephen King's "It," Part 2:	ABC	17.0/39
4. World Series, Game 2	CBS	16.5/43
5. World Series, Game 4	CBS	16.3/41
6. "Davis Rules"	ABC	16.1/35
7. "Monday Night Football"	ABC	16.0/43
8. "Very Best of Ed Sullivan"	CBS	15.6/31
9. World Series, Game 1	CBS	15.2/38
10. World Series, Game 3	CBS	14.5/42



...while magazines face falling numbers



Sources: TV table from Nielsen Media Research. Magazine chart includes individual titles selecting Standard Rate & Data Service's Consumer Magazine and Agri-Media Rates and Data Classification 30 (Men's) as their primary publishing category; have circulation tracked by Audit Bureau of Circulations; and have ad pages monitored by *Advertising Age* or LNA/Arbitron Multi-Media Service. Figures for *M Inc.* from June 1988 to June 1990 taken from *M-The Civilized Man*.

Advertising Age graph: John Smither

Building loyalty

(Continued from Page S-1)

Fast agency Grey Advertising, New York. He says copy in the spots is aimed at women.

These figures were selected because they're "believable, credible people," he says. "Our research shows women respond to that."

Thompson says men now comprise 25% of Slim-Fast's customer base, up from 19% in June 1989 when Mr. Lasorda's spot first broke. Although Mr. Stein credits the spots with expanding the product's appeal among men, "the weight-loss business is primarily targeted toward women," he says.

Heinz USA hasn't targeted men since a two-year campaign for its Heinz 57 steak sauce in 1984, says Mary Ann McCollough, general manager-marketing services.

"Efforts to target men have generally been few and far between," she says. "We see men as part of a family unity."

In addition, women still write the grocery list and choose brands more often.

Progressive Grocer's 1990 annual report on the supermarket business indicates female heads-of-household handle the primary grocery shopping in 70% of homes; male heads-of-household tackle the chore in 17% of homes.

"It appears women do more of the stock-up shopping, and men go out to the store for the fill-in trips," says Clay Collier, research director at Food Marketing Institute.

Even when men shop, in most cases the woman decides what package goods and cleaning products he should buy, says Susan Hayward, senior VP for Yankelovich Clancy Shulman's Monitor Group.

"I've been waiting for 10 years to see the change in men's attitudes everybody talks about, but our research hasn't seen any significant movement yet. Men still say women have the responsibility for deciding who eats what," she adds.

Even men's media realize they still have a big job ahead of them.

"I wouldn't expect people to bring beans into *Playboy* just yet," says Mr. Perlis. □

Dennis Rodkin is a free-lance writer based in Evanston, Ill. Wendy Hickey contributed to this story.

Trade spending tops

Media spending lowest since '78: Donnelley

By Michael Burgi

Marketers spent more on trade promotions in 1990 than any other promotional tool, a new survey showed.

Donnelley Marketing's "13th Annual Survey of Promotional Practices" found trade promotions garnered 44.3% of promotional budgets while media advertising accounted for 30.6% and consumer promotion represented 25.1%.

Trade promotion budgets were unchanged from '89, while consumer promotion was up slightly, from 25%, and media advertising fell slightly, from 30.7%.

In a continuing trend, spending levels for media advertising were the lowest since Donnelley began its survey in 1978, while trade and consumer promotional spending have shown regular increases.

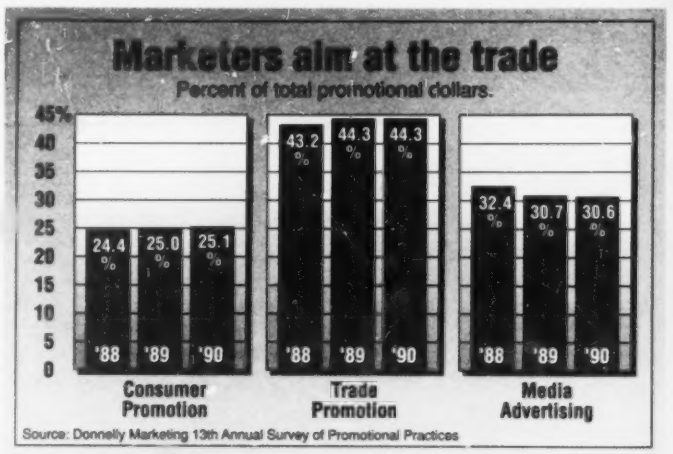
The survey was conducted last fall and included 65 marketing executives from package-goods, health & beauty aids and household products companies. The survey questionnaires were mailed to 149 marketing executives based on the type of products marketed. Information was gathered from Sept. 10 to Oct. 30.

Couponing remained the most popular form of consumer promotions, with 95% saying they used couponing last year. Meanwhile, 88% of the respondents said they were using cents-off promotions while 75% said they used new-product sampling.

The survey also showed more than half of all marketers are using electronic couponing and kiosk coupons as well, a considerable surge from previous years.

Conversely, the survey showed marketers are moving away from consumer promotions, such as pre-priced shippers, money-back offers, cash refunds and premium offers, which have recorded a consistent decline in usage for the last five years.

The survey also examined the use of in-store consumer promotion compared with out-of-store efforts and showed that while marketers more frequently use out-of-store promotions (64%), in-store promotion has gained in share, to 36% last year from 20% in 1982. □



Where coupons go

Ninety-five percent of surveyed marketers used couponing last year. Of the media used, electronic couponing is gaining popularity.

Coupon Media	% Respondents '89	% Respondents '90	% point difference
Newspaper FSI	92%	91%	–1
In Pack/On Pack	86%	85%	–1
In-Store Distribution	74%	72%	–2
Direct Mail	71%	68%	–3
Newspaper ROP, Co-op	65%	68%	3
Electronic Couponing	55%	60%	5
Newspaper Retailer In-Ad	60%	57%	–3
Magazines	54%	49%	–5
Newspapers ROP, Mfrs' Ads	40%	39%	–1
Sunday Supplements	23%	22%	–1

Source: Donnelly Marketing 13th Annual Survey of Promotional Practices

John Hall

New Barq's effort has bite

By Christy Fisher

Barq's hopes to make its "The one with bite" tagline a hip phrase among teen boys.

The soft-drink marketer on May 5 breaks an estimated $4 million national cable and syndicated TV campaign on MTV: Music Television for its flagship root beer.

A "Metal Bites" cassette tape promotion accompanies the new campaign.

The irreverent campaign, which targets males ages 12 to 24, features the Poster Boys, a comedy trio billed as a modern-day Three Stooges.

The two 30-second spots cast the three in everyday, boring situations. One commercial shows the boys flipping through TV channels with a remote control and the other shows them sunning themselves on the back porch.

They react to situations by saying "This bites," "That bites," and "That really bites." But to their relief, Barq's doesn't bite, it's "the one with bite," reinforcing the product's longtime tagline. Radio supports.

Fred/Alan, New York, is the agency.

Consumers can get a cassette featuring heavy metal artists with three proof-of-purchase seals from 2-liter bottles or 12-packs of Barq's original or diet root beer. TV tags, local radio and point-of-purchase materials support; various agencies handle local media.

"In the past, our creative efforts have been typical of the industry—vignettes set to music of people drinking Barq's and enjoying themselves," said Rick Hill, Barq's VP-marketing. "We want to create an advertising campaign unique to our brand. . . . we want to create an attitude about Barq's."

Barq's is now available in about 70% of the U.S., excluding California, Oregon and Washington.

A&W Brands' A&W root beer is the market leader with a 30% share of supermarket case volume for its regular and diet flavors, *Beverage Digest* reported.

Barq's is No. 2 with an 8.5% share, followed by Pepsi-Cola Co.'s Mug root beer with 7.7%; Monarch Co.'s Dad's, 5.2%; and Cadbury Beverages' Hires, 4.9%. Root beer makes up about 3.5% of the total U.S. soft-drink volume. □

Insurer thinks small

By Alan Radding

Connecticut Mutual Life Insurance Co. and the U.S. Chamber of Commerce are targeting small businesses with a blue-chip promotion.

Connecticut Mutual, long touting itself as "the blue chip company," created the Blue Chip Enterprise Initiative awards honoring small businesses.

The insurance company and the chamber will be honoring through this month as many as four businesses per state that have overcome adversity.

Winners' problems and solutions will be compiled in a series of printed case histories and videotapes for distribution to chamber members across the U.S. and for sale to non-member companies.

The company hopes the awards will eventually establish Connecticut Mutual as "the pre-eminent supporter of small business," said Tim Maurer, Connecticut Mutual's director of sales and marketing communications.

Reinforcing the effort is a separate print campaign from Connecticut Mutual, running through yearend. Ads in *Entrepreneur, Inc.*, *Nation's Business* and regional business magazines highlight the frustrations of small-business owners. In the ads, Connecticut Mutual is positioned as a resource for small businesses.

Ingalls, Quinn & Johnson, Boston, handles advertising and some parts of the promotion. □

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Subaru joins agency shakeout

By Raymond Serafin

Subaru of America's decision last week to put its ad account into review is the latest in an import-auto agency shakeout that coincides with an industrywide car sales slump.

The $60 million Subaru account would be the largest of the shifts unless incumbent Levine, Huntley, Vick & Beaver, New York, keeps the business.

Subaru hired consultant Ernst-Van Praag to help narrow a list of about 30 prospective shops to about 10 or 12 that will be visited by company officials. Eventually, Subaru will settle on three or four finalists, with a final decision expected in late June.

Starting in October 1989, when American Suzuki Motor Corp. awarded its $10 million account to Asher/Gould, Los Angeles, six accounts with total spending of about $110 million have moved to new agencies.

Following Suzuki's action were the moves of Saab-Scania of America to Angotti, Thomas, Hedge; Yugo America to Buckley DeCerchio Cavalier; Rolls-Royce Motors to Mullen Advertising; Sterling Motor Cars to Grace & Rothschild; and Volvo Cars of North America to Messner Vetere Berger Carey Schmetterer.

While circumstances vary, disappointing sales generally have been an underlying factor.

Combined car and light-truck sales reached nearly 15.8 million in 1988, but slid 7.6% in 1989 and then another 4% in 1990. For the first three months of 1991, new vehicle sales are off 19.2% from a year earlier as the industry struggles to recoup from the double whammy of recession and war.

Other accounts also are seen as shaky.

Executives from Peugeot Motors of America have visited agencies in what could be a prelude to review of its $25 million account, now at Lord, Dentsu & Partners, New York.

A persistent rumor has indicated Della Femina, McNamee's Los Angeles office was on the rocks with American Isuzu Motors, though Jerrold G. O'Connor, Isuzu's VP-marketing and service, strongly denied any dissatisfaction with the agency.

He said the company was reviewing its promotion and merchandising vendors but not its ad agency.

Likewise, Hyundai Motor America has answered rumors by saying recent personnel changes within its marketing department and the departure of a key senior executive at its agency—Backer Spielvogel Bates' Irvine, Calif., office—shouldn't be construed as a weakening of ties.

Maurice Bowen, former Hyundai national manager-advertising, recently took the new post of national manager-office of strategic planning, and Robert Clucas, formerly national manager-merchandising, succeeded him. Harry Grusche, senior VP-management representative on the account at Backer, left last month.

As for Subaru, it has been on a steady sales slide since reaching a peak of 179,100 units in 1986. But sales had fallen by 39.4% from that level by last year.

The falloff in sales and profitability led Japanese parent Fuji Heavy Industries to buy out the U.S. distributor last August, which stirred the first speculation about a review.

Subaru built a niche as a marketer of inexpensive, durable four-wheel-drive cars, but has largely failed in its bid to move its image mainstream and upscale, beginning with the introduction of the Legacy model in early 1989.

Legacy models are priced between $12,000 and $19,000, and Subaru plans to try to tap into the luxury performance coupe segment with the SVX, due out in late August or September.

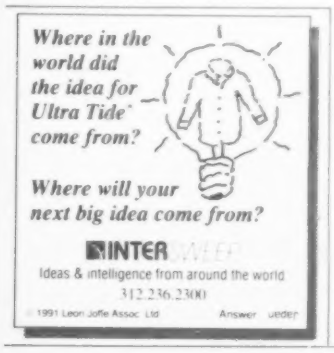
Because Fuji works with Dentsu in Tokyo, that agency's DCA unit in New York is regarded as one of the candidates for the account. Other agencies regarded as contenders are Rosenfeld, Sirowitz, Humphrey & Strauss, a finalist in the recent Volvo review, and TBWA. □

Jon Lafayette and Cleveland Horton contributed to this story.

Import car accounts on the move

Client	Amount	When	Won by
Volvo Cars of North America	$40 million	Feb. 1991	Messner Vetere Berger Carey Schmetterer, New York
Sterling Motor Cars	$20 million	Nov. 1990	Grace & Rothschild, New York
Rolls-Royce Motors	$3 million	Nov. 1990	Mullen Advertising, Wenham, Mass.
Yugo America	$10 million	Aug. 1990	Buckley DeCerchio Cavalier, New York
Saab-Scania of America	$25 million	March 1990	Angotti, Thomas, Hedge, New York
American Suzuki Motor	$10 million	Oct. 1989	Asher/Gould, Los Angeles

Source: Advertising Age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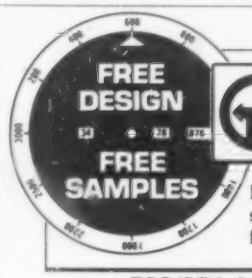

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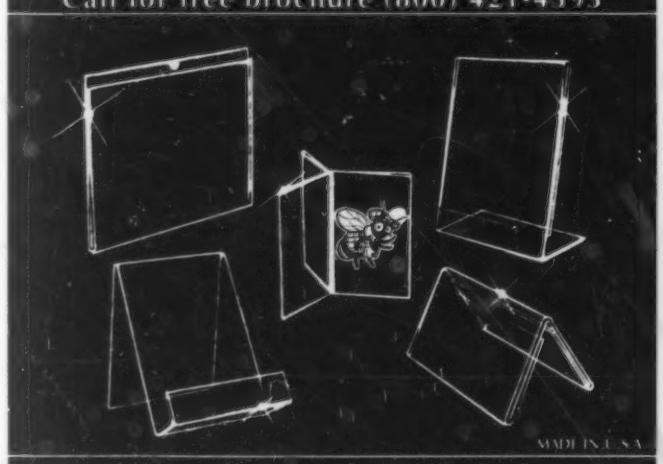

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David W. Hamilton Image Bank

Why London is no longer the creative center of Europe

By Laurel Wentz

LONDON—When NutraSweet Co. was searching for a European headquarters for its Simplesse Co. late last year, company executives considered Paris, London and Frankfurt.

In the past, this was a no-brainer. London was ultimately chosen by a majority of U.S. marketers, who were comfortable with its living conditions, location and language.

No more. NutraSweet picked Paris, while London came in third.

"London is not more central, it's isolated," said Lynn Weitzke, who moved to Paris from Connecticut in late 1990 as European marketing manager of the new Simplesse Europe. "American companies are attracted to London because of the language, but when they get to London, they discover they are more isolated."

"American companies are attracted to London because of the language, but when they get to London, they discover they are more isolated."

Simplesse isn't alone in rejecting London as the center of European advertising and marketing.

London's status has been shattered by the growing importance of continental Europe and the demise of London stock exchange funding that fueled the voracious growth of U.K. agencies, such as Saatchi & Saatchi Co. and WPP Group. As a result, London has been eclipsed by Paris, Brussels and even Ridderkerk, a town near Rotterdam chosen in January by Saatchi & Saatchi Co.-owned Howard Marlboro Group for its European headquarters.

Five months ago, Quaker Oats Co. moved the headquarters for its $1.5 billion-a-year European operations from Chicago to the most European city it could find—Brussels.

"We felt as an American company, with everyone using English as a first language, that if we located in London we could very quickly become an Anglo-American axis. That didn't take account of business done on the Continent," where Quaker's sales are $1.25 billion a year, said Richard Savage, VP-human resources of Quaker Europe.

Quaker was concerned about the difficulty of recruiting broad-minded Europeans to work in London. Mr. Savage said. In Brussels, he's hired "a really good me-

(Continued on Page 20)

Wells Rich tests 4A's liability clause

By Joe Mandese and Scott Donaton

Time Warner and many newspapers are rejecting a Wells, Rich, Greene contract for client Continental Airlines containing a controversial "sequential liability" clause.

The new clause, which follows a recent American Association of Advertising Agencies recommendation, absolves the agency of sole liability for media bills. This is the first real test of the Four A's policy.

While some general business magazine publishers have accepted contracts containing the clause, which stipulates that the agency doesn't become liable until it's been paid by the client, other publishers have either rejected them or asked that they be modified to clarify who's liable for payment.

In other cases, newspapers have effectively ignored the issue of liability in the new contracts by requiring cash payments for the ad placements.

The clause on a Continental invoice obtained by *Advertising Age* reads: "Agency shall be solely liable for payment of all invoices

(Continued on Page 40)

$40M review uncorked

As Michelob goes flat, A-B looks for change

By Gary Levin and Ira Teinowitz

Anheuser-Busch, faced with declining sales for Michelob and unhappy with the brand's current strategic approach, has put the estimated $40 million account, now at DDB Needham Worldwide, up for review.

Regular Michelob, Michelob Light, Michelob Classic Dark and Michelob Dry are said to be included in the review. Michelob Golden Draft and Golden Draft Light, now entering test markets via DDB Needham, aren't involved.

Sources said A-B will hear pitches from the incumbent's Chicago office; BBDO Worldwide, New York; Chiat/Day/Mojo, Venice, Calif.; and D'Arcy Masius Benton & Bowles, St. Louis, which handles the flagship Budweiser brand.

Agency briefings are scheduled for late April.

"Four advertising agencies have been asked to submit strategic and creative recommendations for a new Michelob family advertising assignment," said a company statement responding to queries from *Advertising Age*. "Details of the assignment, funding levels and an expected decision date have not been disclosed."

"Four advertising agencies have been asked to submit strategic and creative recommendations for a new Michelob family advertising assignment."

A-B declined to confirm the agency list or to elaborate; the agencies involved also declined comment.

"I haven't got the official advice [from A-B], although it wouldn't be unexpected," said Alan Pilkington, managing director of DDB Needham's Chicago office. Mr. Pilkington said he believed only regular Michelob was up for grabs, but other sources familiar with the review disputed that.

Spending behind the base Michelob brand has dropped in recent years amid slumping sales, and A-B has tried to shore it up by spending heavily to introduce the light, dark and dry versions.

A-B is expected to spend heavily to promote the Golden Draft products, if successful in test marketing.

Anheuser-Busch Cos.' overall measured media spending fell 19% to $300 million last year from 1988 spending, even as A-B acquired more theme parks, including the Sea World group.

The measured numbers don't fully reflect the switch to local media. A-B agency executives have said, as the company has pushed local promotions and balked at escalating prices for network TV sports sponsorships.

A-B spent $26 million in measured media on regular Michelob in 1989 and $2 million in 1990.

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INSIDE

Uh-huh: Your kids may be wearing Pepsi jingle soon. **P. 4**

LAST MINUTE NEWS

Kraft taps O&M Direct

GLENVIEW, Ill.—Kraft General Foods Group named Ogilvy & Mather Direct as direct marketing agency of record for all U.S. brands. A number of agencies had handled business on a project basis including Grey Direct, New York, and Leo Burnett USA, Chicago. Kraft General Foods said spending couldn't be estimated since this is the company's first major foray into direct marketing. O&M said its Los Angeles, Chicago and New York offices will work on the business.

More Paramount partners revealed

HOLLYWOOD, Calif.—Paramount is telling movie theaters that its "Passport to Summer Entertainment" promotion with Kmart (AA, April 8) now includes Hardee's, Goodyear, Chrysler Corp., Costa Cruises and the USA Network. The studio expects to distribute 20 million scratch-and-win

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NEWS SUMMARY

■ **Sequential liability clauses** in Wells, Rich, Greene media contracts for Continental Airlines are being rejected by Time Warner and many newspapers. 1

■ **Michelob's** estimated $40 million advertising account, now at DDB Needham Worldwide, has been put up for review by Anheuser-Busch. 1

■ **CBS-TV** gained the most in key ratings and demographics in the close 1990-91 prime-time race, won by NBC. 3

■ **Beer marketers** are cutting prices on a growing number of brands as the important summer season approaches. 3

■ **'Airport Channel,'** offering TV programming for waiting travelers, is being tested by Turner Broadcasting System. 3

■ **Sterling Drug** is seeking an agency for its Bayer brand after Lintas:Worldwide resigned the account. 3

■ **Liquid Tide With Bleach Alternative** is being test-marketed by Procter & Gamble. 4

■ **Pepsi-Cola Co.** is promoting clothing sporting its new jingle, "You've got the right one baby, uh-huh." 4

■ **Constitutional protection** against ad taxes may have been weakened by a Supreme Court ruling upholding a state sales tax on cable TV services, observers say. 4

■ **Recession's end** isn't in sight, according to a new study by J. Walter Thompson Co. 4

■ **Welcome-home parades** and other events for Operation Desert Storm servicemen and women will include a number of tie-ins from marketers. 10

■ **Domino's Pizza** selected Grey Advertising to succeed Group 243 on its $60 million national account. 12

■ **Cable TV** should do a better job of supplying more useful data to agencies and clients, speakers said at the Cabletelevision Advertising Bureau conference. 16

■ **Diet Dr Pepper** sales showed record increases in the first quarter and will get an extra $3.5 million in prime-time advertising this quarter. 17

■ **Magazine ad pages** for the first quarter fell 9.6% from a year ago, and ad revenues were down 4.3%. 29

■ **McCann-Erickson's** McMapping data base helps paint a picture of a product's target consumer, its creator explains. 37

■ **Duke University's** college basketball championship has sparked marketing activity by most of its 330 licensees. 38

■ **Travel industry** marketers say business is slowly improving, but the outlook is still uncertain. 39

■ **Meredith Corp.** and Actmedia have joined to offer advertisers tailored marketing programs including magazine ads and in-store promotions. 41

■ **Raytheon Corp.** launched an ad campaign capitalizing on the success of its Patriot missiles. 41

■ **Saturn Corp.** has begun its first regional TV advertising to support the national campaign. 44

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Beer discounting war intensifies

By Ira Teinowitz

Beer marketers are discounting prices in an effort to boost sales.

Distributors and analysts say price cutting is on the rise as brewers struggle to counter the recession and soften the impact of the federal excise tax increase that took effect in January.

The number of regions where discounts are being offered and the number of brand names being discounted have increased as summer approaches, distributors and analysts say.

There is "some pretty deep [price] promotion going on" by Miller Brewing Co. and Coors Brewing Co., said Jerry Steinman, publisher of *Beer Marketer's Insights*, a beer industry newsletter. "I don't know how much deeper than it was last year, but there are some areas where the Miller promotions are long and deep."

"From what I've heard, the promotions are earlier and deeper than last year," he said.

Industry price cutting will continue and perhaps increase, said Anheuser-Busch VP-Sales James I. Hunter III.

"In certain parts of the country, there has been some intensification," he said.

Mr. Hunter said A-B wouldn't make a major price cut as part of its summer promotions.

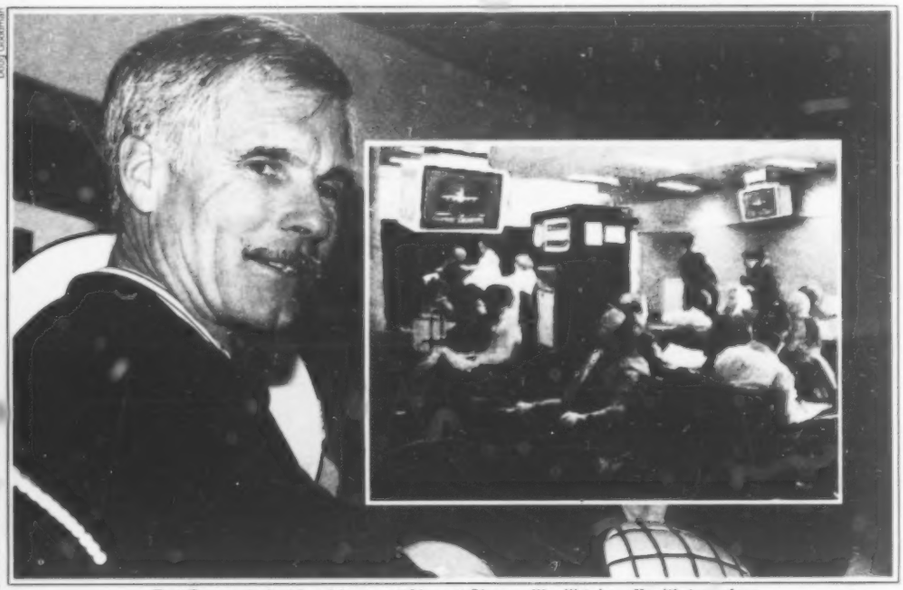
However, 18 months ago, A-B Chairman August A. Busch III vowed the company would respond to competitors' price cutting to avoid losing market sh

Since then A-B has permanently brought down the price of Natural Light to popular pricing from sub-premium and is testing a Natural Pilsner sibling at the popular price.

A-B also is testing Michelob Golden Draft and Michelob Golden Draft Light at premium prices rather than Michelob's superpremium level.

Manny Goldman, a beer industry analyst

(Continued on Page 44)



Doug Goodman

Ted Turner is betting his new "Airport Channel" will take off with travelers.

Turner's new gamble

How marketers view 'Airport Channel'

By Alison Fahey

Turner Broadcasting System's plan for a new channel to deliver viewers waiting at airline departure gates is stirring interest among advertisers and airlines.

The "Airport Channel," scheduled for a six-week, three-market test starting June 3, will be seen by travelers waiting at United, American and Delta gates.

The channel will be split between 70% editorial and 30% commercial time, and will be customized for each airport by Turner's Cable News Network.

Continuously updated programming will focus on news, consumer information and travel.

Turner will provide the TV sets and other hardware.

CNN President Tom Johnson said the "Airport Channel" is "another logical step" in the news organization's commitment to provide "all news, all the time, anywhere."

John Barbera, president of Turner Broadcasting Sales, said the channel's primary ad categories will be financial services including credit cards, travel-related industries and automotive.

Six national advertisers are expected to take part in the test in Atlanta, Dallas and Chicago, Mr. Barbera said. Three have already been signed—GTE Corp., General Motors Corp. and one unidentified advertiser.

"We're taking [advertising] to the people," said Philip Guarascio, GM's executive director of advertising and marketing programs. "It's no longer good enough to expect your communication system to work after somebody gets home at 7:30 at night. You have to be able to go where they are."

MasterCard International said

(Continued on Page 44)

Key demo gains push CBS ahead in prime time

By Joe Mandese

NEW YORK—CBS-TV is the big winner in key ratings and demographics in the closest prime-time race in 2½ years.

CBS' surge has big implications for the 1991-92 prime-time upfront buying period, expected to start in mid-June and to be long and brutal.

With the networks approaching parity in their audience size and demographics, advertisers are expected to increase their leverage over networks in negotiations.

While the aggregate prime-time Nielsen rating for the Big 3 networks fell nearly 6% to 37.5, CBS' prime-time rating increased 2% to 12.3. The network was just 0.4 of a point behind No. 1 NBC-TV, which fell 13% to 12.7. ABC-TV was off 3% to 12.5.

More significantly, CBS was the only network to improve its delivery of the four key demographic groups that represent about 90% of all prime-time buys: men ages 18 to 49, women 18 to 49, men 25 to 54 and women 25 to 54.

Although CBS still trails the other two networks in those

(Continued on Page 42)

Lintas quits Bayer account

By Pat Sloan and Gary Levin

NEW YORK—Sterling Drug and Lintas Worldwide split last week over disagreement about the wisdom of extending the Bayer name, synonymous with aspirin, into ibuprofen- or acetaminophen-based products.

"They feel one way about a subject, and we feel another way," Lintas Chairman-CEO William Weithas said after deciding not to participate in a review and resigning the estimated $25 million account it had held since 1978. "Maybe our fortunes are better somewhere else."

While Mr. Weithas declined to comment on reasons for the parting, an internal memo spoke of "strategic disagreements."

"They feel one way about a subject, and we feel another way. Maybe our fortunes are better somewhere else."

Sources say these included Lintas' opposition to extending Bayer into non-aspirin products for fear of diluting the brand.

"We are disappointed Lintas has chosen not to participate in the Bayer review and has elected to resign the account," said Terry Kelley, Sterling's director of communications. He said the company wouldn't comment on speculation about other products.

Executives at two other agencies now pursuing the account agreed that a line extension was a worrisome issue.

Sterling hasn't identified agencies vying for the business, but sources close to the situation named New York shops Ammirati & Puris, McCaffrey & McCall, Ogilvy & Mather, Altschiller Reitzfeld/Tracy-Locke, BBDO Worldwide and FCB/Leber Katz

(Continued on Page 39)

HOT STUFF!

Haagen-Dazs Co. today breaks a $13 million campaign, including its first TV spots ever. Themed "Taaste the passion," three spots show normally controlled people who lose themselves in the richness of Haagen-Dazs' ice cream, frozen yogurt and snacks. Magazine ads support. BBDO Worldwide, New York, won the account last fall.

Burger King last week introduced its new theme, "Your way. Right away," backed by its old "Have it your way" jingle, in a new 30-second network TV spot for its BK Broiler. It ended the controversial, 19-month tenure of "Sometimes you've gotta break the rules." D'Arcy Masius Benton & Bowles, New York, created the spot.

Magazine ad page leaders

Publishers Information Bureau figures for January through March 1991.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Bride's	807.80	2.2	15,226,999	8.2
2	People	663.08	1.0	68,958,520	10.5
3	Vogue	653.64	(8.0)	26,473,503	2.4
4	TV Guide	653.50	(18.6)	77,238,899	(10.8)
5	Modern Bride	627.29	(0.7)	10,049,639	(1.4)
6	Business Week	600.84	(20.5)	36,217,451	(19.4)
7	Forbes	565.58	(16.8)	25,418,876	(13.9)
8	The Economist	540.89	(10.4)	4,962,538	(3.0)
9	Entrepreneur	535.57	4.9	5,750,167	20.3
10	Sports Illustrated	457.56	(20.9)	62,013,673	(14.8)
11	Cosmopolitan	442.28	(0.1)	29,117,561	11.3
12	Time	441.58	(16.6)	65,521,052	(11.6)
13	New York Magazine	434.26	(16.7)	7,470,058	(6.3)
14	Golf World	428.10	(7.9)	3,700,815	6.2
15	Fortune	408.19	(34.7)	21,985,773	(29.3)
16	Elle	394.87	(11.1)	12,878,180	(4.5)
17	Good Housekeeping	380.54	3.3	38,853,428	11.3
18	Newsweek	369.02	(22.1)	41,899,307	(19.9)
19	Golf Magazine	367.64	(7.0)	12,512,332	12.4
20	Yachting	365.36	(19.4)	2,278,853	(15.5)
21	Glamour	361.27	0.7	20,558,498	8.1
22	Ladies' Home Journal	358.61	2.7	26,736,979	10.3
23	GQ	355.94	(20.6)	9,495,395	(10.9)
24	Muscle & Fitness	353.68	18.1	6,430,728	25.7
25	American Way	350.09	(14.1)	5,297,605	(1.7)
26	Family Circle	347.48	(1.5)	29,312,854	2.2
27	Skin Diver	344.00	5.8	3,496,008	16.2
28	U.S. News & World Report	327.28	(17.4)	27,515,115	(13.1)
29	Sunset	326.31	0.1	10,019,970	2.5
30	Travel & Leisure	324.06	(3.4)	13,085,248	(2.0)
31	Parents	323.34	6.5	14,227,127	13.5
32	The New Yorker	317.86	(35.1)	9,172,983	(28.9)
33	Popular Photography	315.76	7.9	7,240,088	3.6
34	W Magazine	306.23	(22.2)	7,376,443	(18.7)
35	Salt Water Sportsman	302.69	(21.0)	2,171,890	(12.9)
36	Rolling Stone	299.14	(22.6)	11,724,670	(12.6)
37	Texas Monthly	297.85	(5.3)	3,421,789	(1.8)
38	Better Homes & Gardens	295.20	7.4	34,896,500	14.9
39	Golf Digest	282.70	(20.6)	16,441,475	(1.2)
40	Architectural Digest	281.57	(28.6)	7,755,059	(27.0)
41	Money	280.13	(2.3)	18,648,769	5.8
42	Harper's Bazaar	278.66	(20.4)	8,094,624	(11.7)
43	Car & Driver	272.26	2.3	11,438,492	11.7
44	Southern Living	270.37	(11.5)	14,844,869	(1.0)
45	Bass Master	262.38	7.4	5,298,542	11.9
46	Redbook	260.23	(2.3)	17,893,283	11.9
47	Mademoiselle	260.02	(16.9)	9,320,824	(14.8)
48	McCall's	253.66	8.8	19,559,997	23.8
49	Ebony	251.38	(14.1)	9,467,571	(5.5)
50	Ski	248.66	0.3	5,193,746	1.4
51	Gourmet	244.16	(11.1)	7,398,915	1.8
52	Road & Track	241.63	7.8	7,330,154	9.0
53	Jet	236.00	2.0	4,150,564	7.0
54	Vanity Fair	235.65	(20.2)	8,181,847	(22.7)
55	Seventeen	235.42	(20.4)	8,022,431	(10.2)
56	Skiing	229.64	(0.2)	4,688,853	(1.1)
57	Mirabella	228.70	(19.9)	4,415,565	3.8
58	Bon Appetit	224.99	(10.4)	7,271,837	(4.6)
59	Country Living	222.94	(9.6)	9,690,656	(3.1)
60	Conde Nast Traveler	222.89	(15.6)	6,640,801	(8.8)
61	Four Wheeler	216.25	4.5	1,984,510	29.9
62	Compute	215.27	NA	1,890,399	NA
63	Working Woman	213.92	(14.7)	6,811,748	(7.3)
64	Reader's Digest	209.61	(20.0)	21,941,143	(16.5)
65	Smithsonian	207.76	(9.8)	8,969,706	(7.1)
66	Black Enterprise	207.66	(9.9)	3,091,608	0.5
67	Motor Trend	205.63	7.6	7,774,409	12.1
68	Town & Country	204.53	(43.1)	5,703,205	(33.5)
69	Woman's Day	203.03	(38.7)	15,122,512	(37.0)
70	Bicycling	202.84	(5.3)	3,104,557	5.7
71	Self	199.64	(31.7)	8,325,019	(23.0)
72	Inc.	197.25	(16.7)	9,126,316	(6.7)
73	Field & Stream	194.48	(13.5)	8,775,939	(3.9)
74	Esquire	193.23	(31.5)	6,042,670	(27.0)
75	House & Garden	193.17	(17.5)	5,210,387	(9.4)
76	Delta Sky	193.02	(8.0)	5,492,870	1.8
77	Sports Afield	192.72	(6.2)	3,928,335	7.8
78	Art & Antiques	191.30	(14.1)	1,434,389	13.7
79	New Woman	189.65	(9.5)	5,364,203	3.1
80	Entertainment Weekly	185.53	21.8	4,040,732	25.0
81	San Francisco Focus	185.11	(25.6)	1,262,324	(19.6)
82	Outdoor Life	184.32	(5.0)	5,956,131	5.5
83	Penthouse	177.82	15.4	7,099,139	16.2
84	Omni	177.32	7.6	4,703,008	(6.8)
85	Playboy	172.79	5.5	11,090,314	4.3
86	Metropolitan Home	171.85	(37.3)	6,129,695	(24.1)
87	Automobile Magazine	168.79	7.8	4,430,292	54.9
88	Outside Magazine	167.75	9.5	2,899,890	14.8
89	Yankee	166.41	(12.2)	2,193,452	(1.4)
90	Essence	164.62	(17.4)	4,450,762	(7.0)
91	Working Mother	164.02	(7.1)	3,894,836	9.0
92	Parenting	162.62	22.5	3,710,968	65.0
93	House Beautiful	159.87	(0.9)	6,318,858	10.4
94	Hot Rod	159.14	(10.6)	3,733,966	(6.5)
95	Popular Mechanics	157.31	(12.9)	5,729,569	0.2
96	Premiere	154.95	(6.1)	3,039,980	5.9
97	Organic Gardening	153.96	7.9	2,622,000	10.1
98	M Inc.	152.50	(24.5)	2,086,364	(15.5)
99	Tennis	152.40	(7.9)	5,105,446	2.8
100	Shape Magazine	151.16	4.3	2,642,095	(5.4)

Percent change compares January-March in 1991 with 1990. Source: Publishers Information Bureau

MEDIAWORKS

MARCH AD RESULTS

Titles' ad slide worsens

By Scott Donaton

Magazine ad pages in March took their steepest plunge since the ad drought began in late 1989, Publishers Information Bureau reported.

Pages totaled 13,327.9 for the month, down 12% from March of last year. Ad revenues dipped 5.7% to $529 million.

First-quarter ad pages fell 9.6% to 35,602 from the same period in 1990; revenues declined 4.3% to $1.4 billion.

Industry observers view the sharp drop as proof the Persian Gulf War had more impact on print spending decisions than was originally believed.

Pages from the top 10 ad categories (ranked by revenue) totaled 24,718.7 in PIB-tracked magazines in the first quarter, down 9.1%. The steepest decline was posted by the business/-consumer services category: 2,391 pages, down 28.6%.

Advertising from cigarette and tobacco marketers fell 14% to 1,112.2 pages. Automotive ad pages were down 3.7% to 3,826. Computers and office equipment was the only top 10 category with a gain, up 8.8% to 1,135.3 pages.

The slump has hit most consumer magazines, including many that posted gains last year. Of the 171 titles tracked by PIB in the first quarter, 117—or 68%—carried fewer ad pages than they did a year earlier.

Fifty-two magazines recorded page gains after three months. *Allure*, launched in March, and *Compute!* are new to PIB and didn't report 1990 first-quarter figures.

Art & Antiques, which finished 1990 up 10% in pages, carried 191.3 ad pages through March, down 14.1%. *Financial World* saw pages soar 24.3% last year but watched them fall a whopping 49% in the first quarter to 124.6. *Victoria*, which posted a 43.6% page gain in 1990, registered an 11.5% drop after three months to 122.4 pages.

"Thankfully, the Persian Gulf War is over with, and I think that had the most dramatic effect," said Gail Boston, ad director of *Art & Antiques*. "Now that it's subsiding, things are picking up again and we're looking forward to a strong second half."

But most publishers don't expect a turnaround before the fourth quarter or early 1992.

At a recent state of the magazine industry event, American Express Publishing Corp. President Thomas O. Ryder predicted "a great Christmas."

"The business turnaround will come more slowly than expected but will be in full force by the fourth quarter," he said. "And 1992 will be a sensational year for magazines and for the advertising industry."

Top 10 magazine ad categories by revenue

Rank	Category	1991 revenue	% chg	1991 pages	% chg
1	Automotive*	$210,107,527	3.76	3,826	(3.65)
2	Direct response cos.	$154,084,978	8.44	4,958	(0.12)
3	Toiletries & cosmetics	$135,501,050	2.19	2,729.4	(7.73)
4	Food	$109,211,821	(3.41)	1,810	(11.74)
5	Apparel**	$93,699,531	(10.53)	3,316.8	(12.43)
6	Travel, hotels & resorts	$86,955,705	(7.22)	2,809.1	(8.73)
7	Business & consumer svcs.	$81,975,919	(29.40)	2,391	(28.58)
8	Cigarettes & tobacco	$69,306,328	(3.76)	1,112.2	(13.99)
9	Computers & office equip.	$50,991,465	12.02	1,135.3	8.82
10	Publishing & media	$47,361,546	(5.14)	630.9	(9.32)

Revenue and pages figures are from January-March 1991. *Includes accessories and equipment. **Includes footwear and accessories. Source: Publishers Information Bureau

Business Week, 1990's ad page leader, was sixth after three months behind *Bride's* (807.8 pages, up 2.2%); *People* (663.1 pages, up 1%); *Vogue* (653.6 pages, down 8%); *TV Guide* (653.5 pages, down 18.6%); and *Modern Bride* (627.3 pages, down 0.7%).

Business Week's 600.8 pages represented a 20.5% decline from a year ago, when it ranked third behind *TV Guide* and *Bride's*.

More alarming is the fact that while there was just a 46.7-page gap between *Business Week* and top-ranked *TV Guide* in first-quarter 1990, *Business Week* trailed top-ranked *Bride's* by 207 pages for first-quarter 1991. □

PUBLISH-ING

Editorial and business-side developments in print media.

Seeking growth from within. *Business Week* is the latest magazine to explore the multimagazine ad sales arena. The weekly is considering package deals with trade titles published by parent McGraw-Hill, said Exec VP-Ad Sales Karl Spangenberg. *Business Week* considered hooking up with other consumer media companies, he said, but "at the present time we feel there are some resources to fully develop and exploit within the corporate umbrella."

Deals initially will be done on an ad hoc basis, Mr. Spangenberg said, but he expects the network buy to be formalized. Packages with outside media companies are still being considered.

***Interview* shrinks.** *Interview*, New York, will downsize slightly with its July issue, 10⅞ by 13½ inches, down from 10⅞ by 14½ inches. The avant-garde monthly will also revamp its front section with the issue. *Interview* joins such magazines as *Elle*, *Premiere* and *Mirabella*, which all recently announced plans to downsize to cut cost or for aesthetic reasons.

College prep. Oxendine Publishing in the fall will introduce *Florida Leader*, a semiannual magazine for high school students. Oxendine publishes *Florida Leader* for distribution at 55 colleges and universities. The high school edition will be distributed at 300 high schools; its guaranteed circulation is 50,000. Editorial written by college students will help high schoolers prepare for college, such as tips on how to get financial aid and scholarships. A b&w page is $3,964; color is $4,139. W.H. "Butch" Oxendine is publisher, editor and ad director. Offices are at 738 Northwest 23rd Ave., Gainesville, Fla. 32609. Phone: (904) 373-6907.

Upscale title checks in. Carlyle Communications International, Houston, in mid-June will launch *Relais & Chateaux Magazine of North America* for distribution in rooms at 35 Relais & Chateaux of North America member hotels. The title will be published in mid-June and mid-October. Michael Stafford is publisher; Stan Murray is editor and associate publisher. Ad rates are based on a three-issue buy: two issues of *Relais & Chateaux Magazine* and Carlyle publication *Ultra's* 1991-1992 "The Quintessential Guide to Living Well," a hardbound annual issue. Total circulation is estimated at 475,000. A b&w page is $27,000; a color page is $33,000.

Food for thought. Knapp Communications Corp.'s *Bon Appetit* expects to raise $2 million for hunger-relief programs as the national sponsor of "Taste the Nation," a weeklong series of food tastings in 75 U.S. cities that began April 21. Los Angeles-based Knapp also will donate to hunger relief organizations a portion of the revenues from a special section in the monthly's April issue.

***Southern Homes* redecorates.** *Southern Homes*, Atlanta, will unveil a new look and focus with its May/June issue. In an effort to reverse last year's 19% ad page decline, the home design publication has expanded coverage of remodeling, food, entertainment and gardening. The magazine is narrowing its focus from Georgia to Atlanta, evidenced by the new subhead, "Atlanta's Magazine for Better Living." □

Joe Mandese coordinates MediaWorks.

Gains for CBS

(Continued from Page 3)

demos, the network's gains coupled with its competitors' losses have narrowed the gap.

"In terms of audience composition, the three networks are becoming barely more distinguishable than nine letters in the alphabet," said Steve Sternberg, director of broadcast research for Bozell, New York.

"No one network is going to have as much leverage against any given demographic as they have had in the past," Mr. Sternberg noted.

"When you are dealing with three suppliers, it's always good for a buyer to have parity. It gives us choices," said Lou Schultz, Lintas:USA exec VP-director of media services.

Parity "gives the advantage to the buyer rather than the seller," said Linda Urben, AT&T Co.'s district manager for media advertising. "So we're looking forward to the upfront."

"It opens up your options in the sense that there is no must-buy for almost any program strategy," said George Mahrlig, director of media services for Campbell Soup Co. "If you're looking for a series with real marquee value, you can start shopping any of the networks. There was a time where NBC was the only place to go. So, people with that strategy were kind of hamstrung. Now, you can look for some of that from everybody."

CBS could still have enough momentum to close the gap in key demos this season, said David Poltrack, VP-planning and research.

Lintas' Mr. Schultz downplayed the significance of that momentum, however.

"This is really more of a case where standing still is winning, because the other guys are losing so much."

Mr. Poltrack noted that the demographic shifts should spark changes in the portion of advertiser budgets allocated to each network in the prime-time marketplace for next year.

According to Arbitron's Broadcast Advertisers Reports, NBC had a 44.2% share of the $5.2 billion spent in prime-time during 1990, compared with ABC's 31.9% and CBS' 23.9%.

Moreover, Mr. Poltrack said CBS continues to strengthen its position among adults ages 35 to 54, a group he said will grow increasingly important to marketers.

"This is the only segment that will grow during the 1990s," he said, adding that it represents a disproportionate share of U.S. buying power.

"It is going to become the biggest demo," said Bozell's Mr. Sternberg. "Within the next couple of years, about a third of the total TV audience will be 35 to 54."

Network prime-time buying patterns are already starting to skew toward older audiences, he said.

"We're seeing a much greater buying emphasis now on 25-to-54-year-olds, where it used to be much more on 18 to 49," he said. "Now they're about equal."

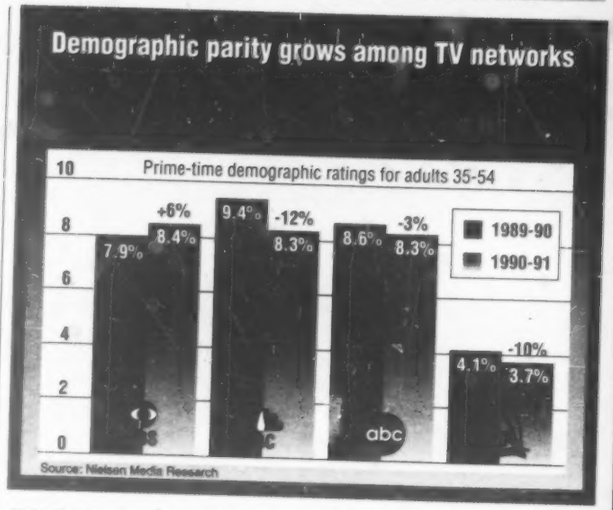
Eight of the series returning to CBS' schedule this season performed better than the previous season. These include "60 Minutes," "The Sunday Night Movie," "Murphy Brown," "Major Dad," "Designing Women," "Rescue 911," "The Tuesday Night Movie" and "Guns of Paradise."

With the exception of "60 Minutes," most of those shows contributed to CBS' improvement among younger demos, particularly "Designing Women" and "Murphy Brown."

But while CBS continues to position itself to marketers as the "adult network," its audience actually grew more youthful this season.

It gained in adults 18 to 34 and teens 12 to 17 but lost share in adults 55-plus. Consequently, the median age of CBS' prime-time viewers dropped to 44 from 45 last year. NBC's median viewer age increased to 41 from 39. ABC remained at 35.

"It's become much more of a three-network race," said Betsy Frank, senior VP-director of TV information and new media for Saatchi & Saatchi Advertising. "CBS isn't just leading among people 55-plus. Not only have they gained among the people who have always watched them, but they've gained among the people who haven't watched them much at all." □



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Advertising Age
WHERE THE WORLD GETS THE WORD
On Marketing

Dow's rally leaves media stocks dry

By Gary Levin and Scott Donaton

NEW YORK—The rally that pushed the Dow Jones industrial average above 3,000 for the first time last week hasn't been reflected in most media and ad agency stocks.

Hurt by a weak U.S. advertising business, both sectors last week posted mostly modest stock gains, despite the run-up in the Dow, a composite average of leading industrial stocks.

Analysts said the Dow movement reflects lower interest rates and signs of an upturn among the major companies that make up the average.

"Advertising stocks haven't been generating much growth in the early part of the year, so they really haven't participated in the latest stage of the rally," said Greg Ostroff, an analyst at Goldman, Sachs & Co. "If we see a sudden shift in the economy over the next couple of weeks, these stocks will start to do better."

"The reason media stocks have lagged is, I think, a reflection of the state of the media business," said Ed Atorino, media analyst with Salomon Bros. "Things are bad and show no signs of getting better."

James Dougherty, analyst at County NatWest Securities USA, said some agency and media stocks rose substantially during the first quarter as a whole. He cited Omnicom Group; Interpublic Group of Cos.; Foote, Cone & Belding Communications; Reader's Digest Association; and Heritage Media Corp. as big gainers.

Among agencies, Interpublic rose 4.5% last week, closing at $46.75; FCB was up 0.9% to $27.25; Omnicom was unchanged at $29.75; Saatchi & Saatchi Co.'s U.S.-traded shares were virtually unchanged, rising to $1.25; and WPP Group was down 4.7% to $7.63, but is up 49% from the end of March.

PaineWebber analyst Alan Gottesman last week lowered his Interpublic earnings estimate 7% to $2.50, citing the continuing weak U.S. environment and a slowdown in growth overseas. He said the company's stock price "may be a little ahead of itself."

Among major media company stocks, CBS last week rose 1.2%, closing at $161.88; Dow Jones & Co. was up 8% to $27; The New York Times Co. climbed 7.2% to $22.38; McGraw-Hill was up 0.4% to $60.25; and Time Warner was unchanged at $115. □

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NEWSPAPER

Advertising Age

April 29, 1991

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Leslie Nielsen is featured in a parody of a parody for Coors Light.

Coors in a (rabbit) stew over parody

By Ira Teinowitz

Eveready Battery Co. is hopping mad at Coors.

Coors Brewing Co. plans to run a new commercial for Coors Light that's a parody of Eveready's Energizer spots showing a pink bunny interrupting a commercial for a make-believe product.

The Coors spot was originally set to break April 28, but when Eveready found out about the commercial the schedule was changed.

"We take strongest exception to their ad," said Patrick Farrell, manager-corporate information for Eveready parent Ralston Purina Co. "We have contacted Coors and asked for a copy of the ad."

At press time, Eveready and Coors were in discussions about the commercial. Coors postponed the spot's airing temporarily but hoped to have it on the air this week.

The Coors Light commercial at first appears to be a typical beer spot with a deep, resonant voice-over. But then, close-ups

(Continued on Page 50)

K-III joins ranks of top publishers

Murdoch buy leaves it hungry for more

By Scott Donaton

K-III Holdings' planned acquisition of most of Rupert Murdoch's U.S. publications is only the beginning.

K-III, a partnership between investment banker Kohlberg Kravis Roberts & Co. and a group of publishing executives led by William F. Reilly, reached an agreement last week to acquire nine publications from debt-laden News Corp. for $650 million.

Mr. Reilly, chairman-ceo of the investment partnership, said K-III plans to use the nine News Corp. titles as "the mother ship" on which to build a massive consumer publishing company.

"The Murdoch magazines are a fabulous platform," he said. "We would expect in the coming months and years to be buying individual titles and adding them to the group.

"We've reached an agreement in principle, but the contract is not signed yet," Mr. Reilly said. The deal is expected to be finalized by June, he added.

Mr. Reilly denied industry speculation that K-III was buying the group with the intent of spinning off individual properties at a profit.

"We would expect . . . to be buying individual titles and adding them to the group."

"There are no plans to sell anything," he said. "We want to buy more."

Negotiations are in the due diligence phase, during which K-III will verify financial and other information about the publications supplied by News Corp. during the sale talks.

The sale will, in one step, establish K-III among the nation's largest consumer magazine publishers. The nine titles it's acquiring have combined annual revenues of about $300 million, Mr. Reilly said.

Revenues from K-III's other operating units are about $500 million, giving the company combined revenues of some $800 million.

The sale also lightens Mr. Murdoch's estimated $8.2 billion debt load, acquired during a 1980s spending spree that included the $3 billion acquisition of Triangle Publications, including *TV Guide*, in 1988. Mr. Murdoch has since acknowledged that he paid too much for the weekly, which isn't included in the K-III deal.

K-III is acquiring eight consumer magazines and the *Daily Racing Form*, a highly profitable newspaper covering thoroughbred racing and which Mr. Murdoch placed on the selling block apart from his magazine group.

Surprisingly, *Mirabella*, which

(Continued on Page 53)

FDA getting tougher

Seizure of Citrus Hill is signal to marketers

By Steven W. Colford

WASHINGTON—The Food & Drug Administration last week sent a message to marketers: Business won't be the same.

When newly installed FDA Commissioner David Kessler ordered some 2,400 cases of Procter & Gamble Co.'s Citrus Hill Fresh Choice orange juice seized, it was a regulatory milestone.

D. Kessler

Although the FDA has conducted product seizures before, it was the first time the agency has ever taken such severe action against a prominent marketer over a labeling dispute.

The April 24 seizure in Minneapolis was implemented for the widest effect after last-minute talks between federal officials and P&G representatives broke up at 10:30 p.m. April 23 with no mutual agreement.

"The use of the term 'fresh' on this product is false and misleading, and it is confusing to consumers," Dr. Kessler said at the time of the seizure. This sends "a clear message that the FDA will not tolerate such violations of the law," he said.

"The fact that Kessler went after P&G and not a little guy shows that Kessler knows what he's doing with regard to getting publicity," said John Kamp, VP of the American Association of Advertising Agencies. He added: "I also hear that Kessler is walking the halls looking for other cases to pursue. This may have been the first shot over the bow, but

(Continued on Page 53)

P&G gives in, axes its 'Fresh' label

By Jennifer Lawrence

Citrus Hill products were ordered seized in Hopkins, Minn.

Procter & Gamble Co. will change the label on its Citrus Hill Fresh Choice orange juice following a long, losing battle with the Food & Drug Administration.

P&G agreed to remove all references to "fresh" from its packaging, just two days after the FDA took steps to halt distribution of the orange juice, to be renamed simply Citrus Hill.

Several high-level P&G executives were in final negotiations Friday with FDA Commissioner David Kessler and other FDA officials to reach a settlement. Details were being worked out late in the day.

Federal inspectors on April 24 had seized 2,400 cases of Citrus Hill Fresh Choice from a Minnesota warehouse after P&G's earlier refusal to make labeling changes.

The complaint filed April 24 in U.S. District Court in Minneapolis by federal prosecutors on behalf of the FDA said Citrus Hill Fresh Choice is misbranded because "the labeling is false and

(Continued on Page 53)

LAST MINUTE NEWS

Weight Watchers reviews $30M account

PITTSBURGH—H.J. Heinz Co. is reviewing its $30 million Weight Watchers International weight loss system account as part of a worldwide company initiative to maximize marketing dollars. Not affected is the $27 million account of Weight Watchers foods, marketed by Heinz's Foodways National unit. Both accounts are handled by DDB Needham Worldwide, New York; the agency will participate in the review. Heinz said about 10 other, unidentified agencies would be asked to pitch. Sources said three of the shops are Heinz agencies Leo Burnett USA, Chicago; Ketchum Advertising, Pittsburgh; and Ally & Gargano, New York. Others pitching were identified by sources as Ammirati & Puris;

(Continued on Page 8)

INSIDE

Top honors: Ad Age hands out The Best Awards for 1990 advertising. **Pages 3, 16**

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NEWS SUMMARY

■ **K-III Holdings** said its acquisition of the Murdoch magazine unit is the start of a major publishing enterprise. **1**

■ **Coors Light's commercial** featuring actor Leslie Nielsen parodying an Energizer bunny spot drew objections from Eveready Battery Co. **1**

■ **Food & Drug Administration's** action against Citrus Hill Fresh Choice orange juice for alleged mislabeling is seen as a warning that federal regulators are getting tough. **1**

■ **Chrysler** appears ready to slim down and restructure to survive in an increasingly competitive environment. **3**

■ **A spot TV sales group** called for steps to rebuff ad agencies' move to "sequential liability" ad contracts. **3**

■ **Amil Gargano,** co-founder of Ally & Gargano, has established Amil Gargano & Partners. **3**

■ **Best awards** in 21 advertising categories were presented by *Advertising Age* at ceremonies emceed by film critics Gene Siskel and Roger Ebert. **3**

■ **Miller Brewing** is expected to start testing Lite Ultra beer with 77 calories per 12-ounce can next month. **4**

■ **Giorgio Beverly Hills** is introducing Red for Men fragrance with an estimated $3 million marketing effort. **4**

■ **Nabisco** this week introduces Mr. Phipps pretzel chips, the company's first hybrid snack. **4**

■ **Interpublic Group of Cos.** reported its first quarterly earnings decline since 1985. **6**

■ **State advertising accounts,** primarily for tourism and lotteries, are coming up for review in many states. **12**

■ **"Rich Girl,"** from Studio Three Film Corp., will be backed with the largest transit ad campaign ever for a movie. **14**

■ **Dow Jones & Co.** will launch *The Wall Street Journal Classroom Edition* in September as a color tabloid. **15**

■ **Sears, Roebuck & Co.'s** planned Prime Option Visa card program is seen by some as part of a plan to convert its Discover card to Visa. **46**

■ **Kellogg Co.** will break its first worldwide TV commercial in June, a spot for Frosted Flakes to run in 28 countries. **47**

■ **"Harper's Bazaar"** named Carl Portale publisher, the third recent appointment of a new publisher in the women's fashion magazine category. **49**

■ **Disney-MGM Studios** has delayed the opening of its Muppets attraction because of a suit from Henson Associates over ownership of the late Jim Henson's properties. **51**

■ **Children's advertising guidelines** were adhered to in most cases, according to a study by the Children's Advertising Review Unit. **52**

■ **Hyatt and Howard Johnson** hotel chains are stepping up marketing efforts to reach children. **54**

■ **Hispanics** are assimilating into the U.S. culture at slow pace, according to a study by Strategy Research Corp. **54**

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States shop for new agencies

An Advertising Age roundup

Many ad agencies are planning to stay close to home this summer to pitch their state's tourism, economic development and lottery accounts.

Tight economic conditions, forcing agencies to hunt harder for new business, have resulted in heavier than usual responses to the state reviews. Some reviews have drawn interest from agencies that in the past may have shunned $3 million or $4 million accounts.

Politics also factor into the competition. The arrival of new administrations in states including Connecticut, Illinois, Massachusetts and Ohio has encouraged agencies to expect reviews for state business will be more wide open than in the past several years.

Some states have cut back spending for tourism, economic development or lottery advertising, but agency interest has never been higher.

"In this economy, it'll be a shootout, no question, but accounts of this size, limited to in-state agencies, aren't too plentiful, so you have to go for it," said Bruce I. Carlson, chairman-ceo of Grant/Jacoby, Chicago, which is gearing up to pursue the $21 million Illinois State Lottery account.

"It's a high-visibility account, and something where the cause is good, too. The money goes to schools. That's worth something, too."

Tourism accounts especially can give an agency not only a higher in-state profile but also exposure to out-of-state marketers.

North Dakota this summer will review its $2 million tourism account, the largest single piece of advertising business in the state. Incumbent G.L. Ness Agency, Fargo, is such a favorite that interest in the review is down.

"There are only six real full-service agencies in the state," said Director of Tourism Jim Fuglie, "but Ness has won several awards for its work, so I think some of them won't even try [for the account] this year."

State accounts slated for review in 1991 and 1992

State	Account	Budget	Agency	Review date	Contract length
Alabama	Tourism	$2.0	Barney & Patrick	Now open	1 year
California	Anti-smoking	$15.0*	Livingston & Keye	Late June	1 year
	Tourism	$5.0*	Livingston & Keye	Summer 1991	1 year
Colorado	Lottery	$7.6	Karsh & Hagan	Feb. 1992	1 year
Connecticut	Tourism/econ. devel.	$0.60	LSGE Marketing/Communications	July 1991	1 year
Delaware	Lottery	$0.75	Reese, Tomases & Ellick	Aug. 1992	2 years
Dist. of Columbia	Lottery	$3.6	Nagy Films (broadcast creative)	Early 1991**	1 year
Florida	Lottery	$34.0	Bozell	June 1991	2 years
	Tourism	$5-$6	McFarland & Drier	June 1991	2 years
Idaho	Lottery	$1.5	Elgin Syferd Drake	1992**	2 years
Illinois	Lottery	$21.0	Bozell	Summer 1991	2 years
	Tourism	$11.0	McConnaughy Stein Schmidt Brown	Summer 1991	2 years
Indiana	Lottery	$4.0	Montgomery Zuckerman Davis	Now open	2 years
Kansas	Tourism	$1.0	Lane Marketing Group	Now open	2 years
Maryland	Lottery	$8.0	Trahan, Burden & Charles	By July 1992	1 year
Massachusetts	Tourism	$4.5	Hill, Holliday, Connors, Cosmopulos	June 1991	3 years
Michigan	Tourism	$5.0	Ross Roy Advertising	Oct. 1991	3-4 yrs.
Minnesota	Tourism	$2.0	Carmichael Lynch	Early 1990**	3 years
Missouri	Economic devel.	$1.0	Valentine-Radford	June 1991	2 years
Montana	Tourism	$2.5	Wendt Advertising	Early 1991**	2 years
Nebraska	Tourism	$0.175	Baily Lauerman & Associates	May 1991	4 years
Nevada	Tourism	$1.6	R&R Advertising/Joyce Advertising	April 1991**	2 years
New Jersey	Lottery	$4.2	Venet Advertising	Spring 1991	2-3 yrs.
New Mexico	Tourism	$1.5	Competitive Edge	June 1991	1 year
New York	Lottery	$17.0*	DDB Needham Worldwide	By Sept. 1991	2 years
	Tourism	$6.0	Wells, Rich, Greene	May 1991	3 years
North Carolina	Tourism	$2.5	McKinney & Silver	May 1991	1 year
Ohio	Tourism	$4.0	Hameroff Milenthal Spence	Now open	2 years
Oregon	Tourism	$1.5	Wieden & Kennedy	Sept. 1991	2 years
Pennsylvania	Tourism/econ. devel.	$6.0*	Elkman Advertising	May 1991	2 years
Rhode Island	Economic devel.	$1.0*	Duffy & Shanley	June 1991	1 year
South Carolina	Tourism	$2.8	Leslie Advertising	May 1991	2 years
Utah	Tourism (warm-weather)	$0.56	Evans/Salt Lake City	1992	3 years
Virginia	Lottery	$18.0	Earle Palmer Brown & Spiro	1992	1 year
	Tourism	$3.4	Martin Agency	July 1992	1 year
Washington	Tourism	$0.9	Sharp Hartwig	Sept. 1992	2 years
West Virginia	Lottery	$2.8	Fahlgren Martin	Spring 1991**	1 year
Wisconsin	Lottery	$4.0	McDonald Davis & Associates	Now open	2 years
	Tourism	$7.0	Frankenberry, Laughlin & Constable	June 1992	2 years
Wyoming	Tourism	$1.7	Broyles, Allebaugh & Davis Lane & Associates	Fall 1991	1 year

Budget figures are in millions. *Projected. **Completed. Source: *Advertising Age*

In larger states, tourism and lottery accounts can represent substantial billings, and therefore draw interest from top national agencies.

The New York Department of Economic Development this year cut its combined tourism/economic development ad budget 14.3% to $6 million but hasn't had any trouble attracting big-name shops. Wells, Rich, Greene, New York, has held the account since 1977 and could keep it, but other finalists for the business, which will be decided in May, are Ally & Gargano; Della Femina, McNamee; Grey Advertising; Lintas:New York; and McCann-Erickson Worldwide, all New York.

On the other coast, the California Department of Health Services this year will open a competition to handle its anti-smoking campaign. Gov. Pete Wilson's proposed budget allocates $15 million for the account, down from the $28.6 million spent on it over an 18-month period ending June 30, 1991.

The department won't issue a request for proposals until the Legislature passes a budget—probably not until July—but many agencies are expected to pursue the business when that happens.

The work of incumbent Livingston & Keye, Venice, was praised by Jacquolyn Duerr, chief of the department's media campaign unit.

But "there's an absolute commitment to make this a clean, unbiased, competitive process," she said. "Livingston & Keye will not have any different standing than any other agency."

Bozell, Chicago, has handled the Illinois State Lottery since it began in 1974 but is seen as vulnerable this year following the arrival of a new governor and lottery director. Competition for the $21 million account is expected to be heavy when the review is formally opened, perhaps next month.

Illinois' Department of Commerce & Community Affairs has begun a review of the state's $11 million tourism account, now at McConnaughy Stein Schmidt Brown. The state has advised agencies that they will need minimum billings of $30 million to join the review.

In most regions, in-state agencies have an edge—sometimes unstated—in state account competitions.

"Legally, we're not allowed to give preference to an in-state agency—you have to put it out for bid—but in actuality, if you're not an in-state agency you have two strikes against you," said Abe Baum, director of advertising for Arizona, which likely won't review its $5 million account, now at Taylor Advertising, Phoenix, until 1993. □

Written by Scott Hume with contributions from Alan Salomon, Nan O'Neal, Laura Loro, Alan Radding, Brad Johnson and Christy Fisher.

■ **Carmichael Lynch**, Minneapolis, last month closed its Tampa, Fla., office and consolidated operations at its Orlando office. No employees from the Tampa office joined the 11-employee Orlando office, which bills an estimated $9 million. The closing of the Tampa office occurred two years after the agency bought Solt/Di Maggio/Fuddy & Hill, which employed seven and billed $4 million.

■ **Federal Cartridge Co.**, Anoka, Minn., is reviewing its $2 million account now at Carmichael Lynch, Minneapolis.

■ **Budget Rent A Car Corp.**, Chicago, to **Ketchum Directory Advertising** from Communications Planning Corp. for its $8 million Yellow Pages account. Ketchum also won Northbrook, Ill.-based **Allstate Insurance Cos.'** approximately $7 million directory account for the western U.S., previously at Woodward Direct, Skokie, which remains agency for the eastern U.S. account.

■ **MobileComm**, Ridgeland, Miss., to **Bozell**, Irving, Texas, and **G. Williams & Associates**, Jackson, Miss., first agencies for the paging and voice messaging company's estimated $4 million account.

■ **Continental Baking Co.**, St. Louis, to **McElligott Wright Morrison White**, Minneapolis, first agency for a new-product assignment.

Kroger cut may shift $22M

By Julie Liesse

Kroger Co.'s decision to eliminate its corporate advertising function is part of continuing decentralization at the nation's largest supermarket company.

Although Kroger's move jeopardizes the $22 million in Kroger Food Stores billings handled by Campbell-Mithun-Esty, Chicago (AA, April 22), CME says it intends to try and keep all the business.

Kroger earlier this month notified CME it won't renew its corporate advertising contract, which expires at the end of July, said Paul Bernish, director-public relations.

Instead, continuing a long process of decentralization, Kroger will allow ad managers in its 11 marketing areas to handle their own advertising, including selecting an agency.

"What we are doing is not because of any problems with Campbell-Mithun-Esty," Mr. Bernish said. "This is just a reflection of continuing decentralization at Kroger.

"Our marketing areas have had increasing autonomy, increasing responsibility for merchandising. Now they also can choose their own advertising agency, including writing separate contracts with CME if they wish. But there are no corporate dictates," he said.

Kroger's regional divisions already had control of all print ads, accounting for 80% of total Kroger Food Stores ad spending.

"It didn't make sense to have the remaining 20% done differently," Mr. Bernish said. "In some ways, this is a fait accompli. Some of our divisions already have used local agencies anyway. And they all buy their own ad time."

Kroger Food Stores spent $49.5 million in measured media last year, about half of that in newspapers, according to LNA/Arbitron Multi-Media Service, which doesn't monitor all newspaper advertising. The $22 million spent on spot TV, in addition to some creative work on print ads, was handled by CME.

The 11 Kroger divisions, representing about 1,000 supermarkets overall, are headquartered in Atlanta; Cincinnati; Columbus, Ohio; Dallas; Detroit; Houston; Indianapolis; Little Rock, Ark.; Memphis and Nashville, Tenn.; and Roanoke, Va. The Little Rock division doesn't use CME and has been handling its own advertising for about six months.

Mr. Bernish said it's too early to tell how the other 10 divisions would decide to handle advertising.

The agency will try "to work out details on a division-by-division basis. We are looking forward to sitting down with each ad manager" for each marketing area, said Marvin Goldsmith, president-ceo of CME's Chicago office.

Kroger has been a CME client for 35 years.

"We have always been structured to serve Kroger and its individual marketing areas; they have operated as independent areas for a long time," Mr. Goldsmith said. "Now, we'll be more focused on opportunities in each market area."

CME's Chicago office had billings of $179 million last year. □

'Recession-proof' industry feels pinch

Even couponing boom seen as step back to field industry wants to outgrow

By Scott Hume

In a recession, marketers begin thinking short-term sales—even at the expense of profit margins or brand image—and they increase efforts to improve relations with the trade.

That translates into bad news for media advertising, good news for the promotional marketing business.

That, at least, had been the conventional wisdom since the promotion business surged during the recession of the late 1970s and early 1980s.

But the realities of the current recessionary climate have forced some rethinking of that axiom.

According to *Advertising Age's* survey of sales promotion agencies, gross income rose 14.1% in 1990, compared with the previous year. That's down from 17.4% growth in 1989.

Also, 63.9% of survey respondents say they expect 1991 client spending to increase in the 1%-to-10% range, hardly a banner year for a business that thrives in recessionary periods.

There is disagreement over how seriously hurt by the recession promotion agencies have been—disagreement determined in part by how closely shops have been aligned with such hobbled industries as automobiles and retailing.

But most promotion executives agree the recession has at least changed the nature of their business during the past year.

"Many in the industry previously thought that promotional marketing was recession-proof, and that if we did slide into a recession, we'd see cuts in staffing at major corporations and more work for promotion agencies," says William Urseth, who recently sold his interest in promotion agency U.S. Communications, Minneapolis, and is now chairman of U.S. Directives, a crisis-management consultancy.

Those kinds of staff cuts haven't materialized, he says. "Now I'm inclined to modify that to think the business is *largely* recession-proof," Mr. Urseth says.

'Fill the top': The wild rush for more clients. **P. 37**

Business may be good, even better, in some categories, but the business also has gotten more difficult.

"Clients are more budget-conscious than before—across the board. Advertising and promotion. And they're more careful in execution of marketing programs," Mr. Urseth says.

Alan Maites, president of William A. Robinson Inc., Chicago, has seen a similar scenario.

"We haven't seen significant cuts in staffing or spending by our clients, but companies certainly are giving much more scrutiny to their spending," he says.

Quantitative measurement of the level of promotional marketing is difficult to locate, but by at least one measure, one segment of sales promotion has seen robust growth during the past year.

According to the Summary Scan! division of the Advertising Checking Bureau, package-goods marketers issued 306.8 billion cents-off coupons in 1990, a whopping 16.7% increase over 1989, a year when the number of coupons issued rose only 4%.

The recession is "definitely a major cause of that increase last year," says Summary Scan! Director Bill Green. "In a slow economy, manufacturers tend to issue more coupons and more incentives to keep consumers buying and keep them from trading down to store brands. And that appears to be what happened in 1990."

But while an increase in couponing may have meant increased business for some, others say it hasn't necessarily been good for the business as a whole. It may represent a regression to the sort of promotional marketing the industry had been seeking to outgrow.

"We haven't seen innovation in package-goods marketing. We've seen a retreat to dumping more coupons and freestanding inserts," says Greg Hawn, president of Greg Hawn & Associates, Chicago.

"In the quick-service restaurant industry you've got McDonald's following Taco Bell's lead and putting price points on banners on the front of their stores. Something you thought you'd never see.

"I'd hoped to see more value-added promotions, but it takes more planning to do solid value-added programs, and long-term planning has suffered."

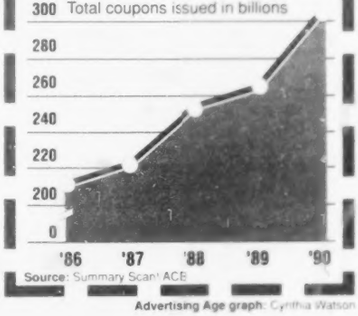
Mr. Hawn says the "belief in promotional marketing as recession-proof hasn't come to pass. Things have been tough everywhere."

The Persian Gulf War introduced an unexpected "double whammy," he says. "This recession has probably affected the promotion industry more than anticipated and more than the 1982 recession because of the additional uncertainty over the war situation.

"That brought an across-

(Continued on Page 38)

Business copes with coupons



Source: Summary Scan! ACB

Advertising Age graph: Cynthia Watson

Sales promotion income climbs to $637.7 million

But the 14.1% gain in growth shows slippage

By Kenneth Wylie

The sales promotion industry may have fared better than many sectors of advertising and marketing in last year's sluggish economy. But it also took a hit.

Gross income among the sales promotion companies responding to *Advertising Age's* fourth annual industry survey rose 14.1% to $637.7 million, compared with 6.4% growth among the Top 500 advertising agencies (AA, March 25).

Despite the 14.1% increase, growth in sales promotion gross income fell from 17.4% in 1989. Of the 103 agencies ranked, 25% saw declines in gross income.

Promotional services agencies, which generate most of their revenues from sales promotion services, such as sweepstakes or premiums, contributed total gross revenues of $431.4 million, up 17% over 1989.

Sales promotion agencies, which focus on strategic planning and concept development, composed 25% of the sample and contributed $206.2 million in total gross income, up 8.5% from 1989. *(See methodology, Page 34.)*

Leading the promotional services group of 77 agencies is DCI Marketing, with gross income of $61.6 million, up 12.6% from 1989. DCI, based in Milwaukee, specializes in point-of-purchase and merchandising systems.

Clarion Marketing & Communications ranked No. 1 among 26 sales promotion agency respondents, with gross income of $26 million, up 39% from the previous year. A unit of D'Arcy Masius Benton & Bowles, the Greenwich, Conn.-based agency got an infusion of direct response billings in 1990 from DMB&B Direct, which recently was merged under the Clarion name.

The uncertain economy last year hit promotional agencies in various ways.

Overall employment grew 6.4% compared with less than 1% in '89. Employment growth seemingly was dominated by promotional services agencies, up 8.2% last year, compared with 3% growth for sales promotion shops.

But employment growth in the promotional services category was skewed by two agencies, BDS Marketing, Irvine, Calif., and MarketSource, Cranbury, N.J. Without their figures, employment growth for that group nudged forward only 2.6%.

BDS, under new president Beverly Totman-Ham, rose from a near ruinous slump two years ago to rank No. 9. Gross income jumped to $11.1 million last year, up 327.7% over 1989. Employment levels shot up to 150 in 1990, from 40 in 1989.

No. 6-ranked MarketSource reported 210 employees, up from 150 in the prior year, as it staffed up to meet demands in its area of specialty, event marketing.

Increased emphasis on strategic planning has allowed some agencies to cut back to a core staff and rely on free-lancers to carry the rest of the business.

"Clients used to come in and say they wanted T-shirts and premiums. Now they say, 'Look at us and tell us how to solve our problem,' " says Mark Mitchell, president of Mitchell & Co., Toledo, the No. 54 promotional services agency.

The shop has cut staff from 42 in 1987 to 17 last year and uses free-lancers frequently to fill in promotional services functions, while full-time staffers focus on strategic planning.

Intra-agency mergers, acquisitions and divestitures turned agency ownership into a revolving door in 1990.

British holding company FKB Group, which had assembled an impressive array of U.S. sales promotion shops since 1988, fell prey to its own acquisitiveness when it was forced to sell its U.S. holdings to service its debt.

Management at former FKB shop Louis London, St. Louis, No.

(Continued on Page 34)

Sales promotion agencies by U.S. gross income

Rank 1990	Rank 1989	Agency, headquarters	Gross income 1990	Gross income 1989	% chg	Employees 1990	Employees 1989	Leading service	Top executive, title	Telephone	Verified
1	3	**Clarion Marketing & Communications**, Greenwich, Conn.	$26,026	$18,776	38.6%	190	150	dir mktg	Raymond S. Rizzo, president-ceo	(203) 531-3600	✓
2	1	**Frankel & Co.**, Chicago	23,004	23,195	(0.8)	270	280	merch/pop	Bud Frankel, chmn	(312) 938-1900	✓
3	2	**Marketing Corporation of America**, Westport, Conn.	21,962	19,905	10.3	104	98	graphics/coll	Chris P. Barr, president	(203) 222-1000	
4	4	**Flair Communications**, Chicago	15,803	15,509	1.9	100	115	dir mktg, event mktg	Lee F. Flaherty, chmn-ceo	(312) 943-5959	✓
5	5	**U.S. Communications**, Minneapolis	13,915	14,000	(0.6)	75	NA	dir mktg	Terence M. Graunke	(612) 870-8910	
6	6	**Sims Freeman O'Brien**, Elmsford, N.Y.	13,511	11,234	20.3	85	80	graphics/coll	Jack Sims, Dick O'Brien, co-ceos	(914) 347-2600	
7	8	**Ryan Partnership**, Westport, Conn.	11,900	9,600	24.0	56	43	consulting	Thomas P. Libonate, president	(203) 226-3136	
8	7	**Impact**, Chicago	10,635	10,030	6.0	115	115	graphics/coll, consult	Joseph P. Flanagan, president	(312) 751-3500	
9	9	**Columbian Advertising**, Chicago	9,425	8,550	10.2	59	58	dir mktg	Bernard Miller Jr., chmn	(312) 943-7600	✓
10	10	**Siebel/Mohr**, New York	8,492	8,396	1.1	79	88	graphics/coll	Thomas McCann, president	(212) 593-0500	
11	11	**Beaumont-Bennett**, New York	7,200	7,800	(7.7)	60	62	merch/pop, graphics/coll	Mike Zisser, chmn-ceo	(212) 886-3300	
12	18	**Floathe Johnson Associates**, Kirkland, Wash.	4,973	3,670	35.5	71	64	NA	Maury Floathe, president	(206) 822-8400	
13	12	**Promotional Campaigns**, New York	4,819	5,501	(12.4)	36	44	graphics/coll	Tom Owen, president	(212) 561-6600	✓
14	13	**Arocom Group**, Fairlawn, Ohio	4,494	4,214	6.7	66	65	dir mktg	Leo J. LeFort, chmn-ceo	(216) 666-3727	✓
15	15	**Smiley Promotion**, New York	4,290	4,195	2.3	15	14	swps/games	Ronald Smiley, president	(212) 727-0770	✓
16	19	**CCM**, New York	4,024	3,100	29.8	20	23	dir mktg	Steven Polachi, partner	(212) 689-8225	
17	17	**Marcon Marketing Services**, New York	3,842	3,748	2.5	25	25	merch/pop	Stephen Field, president	(212) 683-3332	✓
18	16	**R.G. Meadows**, Great Neck, N.Y.	3,665	3,840	(4.6)	29	28	promo adv	Guy F. Allen, president	(516) 829-4404	✓
19	14	**Amrein Marketing Associates**, Westport, Conn.	3,452	4,207	(17.9)	14	16	swps/games	James R. Amrein, president	(203) 454-3500	✓
20	20	**Alley Marketing**, New York	3,089	3,000	3.0	19	20	consult	Frank Ombres, president	(212) 545-8500	✓
21	21	**Core Group Marketing**, Minneapolis	2,400	2,800	(14.3)	19	25	consult	Robert H. Hamilton, president	(612) 942-2939	✓
22	22	**Dugan, Valva Associates**, Morristown, N.J.	1,593	1,315	21.2	22	19	graphics/coll	Peter Dugan, chmn	(201) 539-8880	
23	24	**Hadley Group**, Stamford, Conn.	1,349	1,199	12.5	14	6	merch/pop	Victor Imbimbo Jr., president	(203) 323-8533	
24	23	**Thielen & Associates**, Fresno, Calif.	1,002	1,295	(22.6)	15	16	NA	Betsy Chow, comptroller	(209) 252-2500	✓
25	25	**Promotion Group Central**, Evanston, Ill.	955	1,009	(5.4)	10	11	swps/games	Edward J. Drumm, president	(708) 866-0100	
26	NA	**Sukon Marketing Communications**, New York	405	NA	NA	18	NA	merch/pop	Joseph Harris, president	(212) 627-5454	✓

Notes: Dollars are in thousands. See Page 38 for footnotes. Page 34 for methodology

The road not taken isn't always the better choice.

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Then you can make the better choice.

CMS INC

Promotional services agencies by U.S. gross income

Rank 1990	Rank 1989	Agency, headquarters	Gross income 1990	Gross income 1989	% chg	Employees 1990	Employees 1989	Leading service	Top executive, title	Telephone	Verified
1	1	**DCI Marketing**, Milwaukee, Wis.	$61,600	$54,706	12.6%	317	296	NA	Ron Chimenti, president	(414) 228-7000	
2	3	**Alcone Promotion**, Irvine, Calif.	31,788	23,700	34.1	125	97	merch/pop, premiums	Matt Alcone, president-ceo	(714) 770-4400	✓
3	4	**Cato Johnson Worldwide**, New York [1]	28,152	22,568	24.7	285	310	merch/pop	William Power, ceo	(212) 941-3700	✓
4	2	**D.L. Blair**, Garden City, N.Y.	27,704	25,700	7.8	168	179	swps/games	Thomas J. Conlon, president	(516) 746-3700	✓
5	5	**Lintas:Marketing Communications**, Warren, Mich. [2]	24,137	21,047	14.7	NA	NA	NA	F. Hoag, vice chmn-ceo; J. Bernardin, chmn	(313) 574-3400	✓
6	7	**MarketSource**, Cranbury, N.J.	21,600	15,500	30.9	210	150	dir mktg, event mktg	Martin D. Levine, president	(609) 655-8990	✓
7	6	**Comari-KLP**, New York	14,500	18,200	(20.3)	97	101	sales meetings/av	Vince Sottosanti, chmn	(212) 714-2550	✓
8	8	**Gross Townsend Frank Hoffman**, New York [1]	11,700	11,300	3.5	106	115	graphics/coll	Alan Gross, president	(212) 886-3000	
9	36	**BDS Marketing**, Irvine, Calif.	11,070	2,588	327.7	150	40	sampling	Beverly Totman-Ham, president	(714) 753-1600	
10	10	**Merchandising Workshop**, New York	9,700	8,500	14.1	128	128	graphics/coll	Norman R. Alshooler, president	(212) 239-4646	
11	9	**Communications Diversified**, New York	9,300	9,100	2.2	38	36	dir mktg, tie-ins	William H. Henneberry, chmn	(212) 213-3300	✓
12	14	**Guild Group**, Pleasantville, N.Y.	8,322	6,905	20.5	87	75	price promo	Victor Ayala, president	(914) 747-1331	
13	13	**DelWilber & Associates**, McLean, Va.	8,000	7,000	14.3	46	44	event mktg	Del Wilber, president-ceo	(703) 749-9300	
14	27	**Saatchi & Saatchi Marketing Services Group**, New York	7,760	3,040	155.0	48	35	consult, event mktg	Donald R. Dixon, chmn	(212) 463-2500	
15	11	**Saugatuck Group**, Darien, Conn. [2]	7,753	8,189	(5.3)	43	41	graphics/coll	Gary Oakley, chmn	(203) 655-8480	✓
16	15	**Don Jagoda Associates**, Melville, N.Y.	7,388	6,300	17.3	150	181	swps/games	Don Jagoda, president	(516) 454-1800	✓
17	12	**Einson Freeman**, Paramus, N.J.	6,485	7,863	(17.5)	61	70	swps/games	Jeffrey K. McElnea, president	(201) 262-7200	

Notes: Dollars are in thousands. See Page 38 for footnotes.

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Methodology

Agencies submitting figures in this report are categorized in two ways.

- Sales promotion agencies are fee-oriented agencies that draw 50% of gross income from sales promotion; staff-time fees and/or retainer fees comprise 50% or more of total gross income; concept development and strategic planning functions make up at least 40% of fees.
- Promotional services agencies focus on one or more sales promotion functions, such as sweepstakes, tie-ins, graphics-collateral, merchandising-point of purchase, etc. Time-of-staff fees, described as "professional services" or "account service," are less than 40% of total gross income; the bulk of revenues comes from creative work, execution, fulfillment and/or markups for production materials.

Included in this group are direct marketing and advertising agencies with strong sales promotion functions. These agencies are ranked by total gross income if sales promotion represents more than 50% of returns. If sales promotion gross income is less than 50%, the agencies are ranked only if sales promotion is one of the top two contributors to total gross income, and then they are ranked solely on gross income derived from sales promotion. □

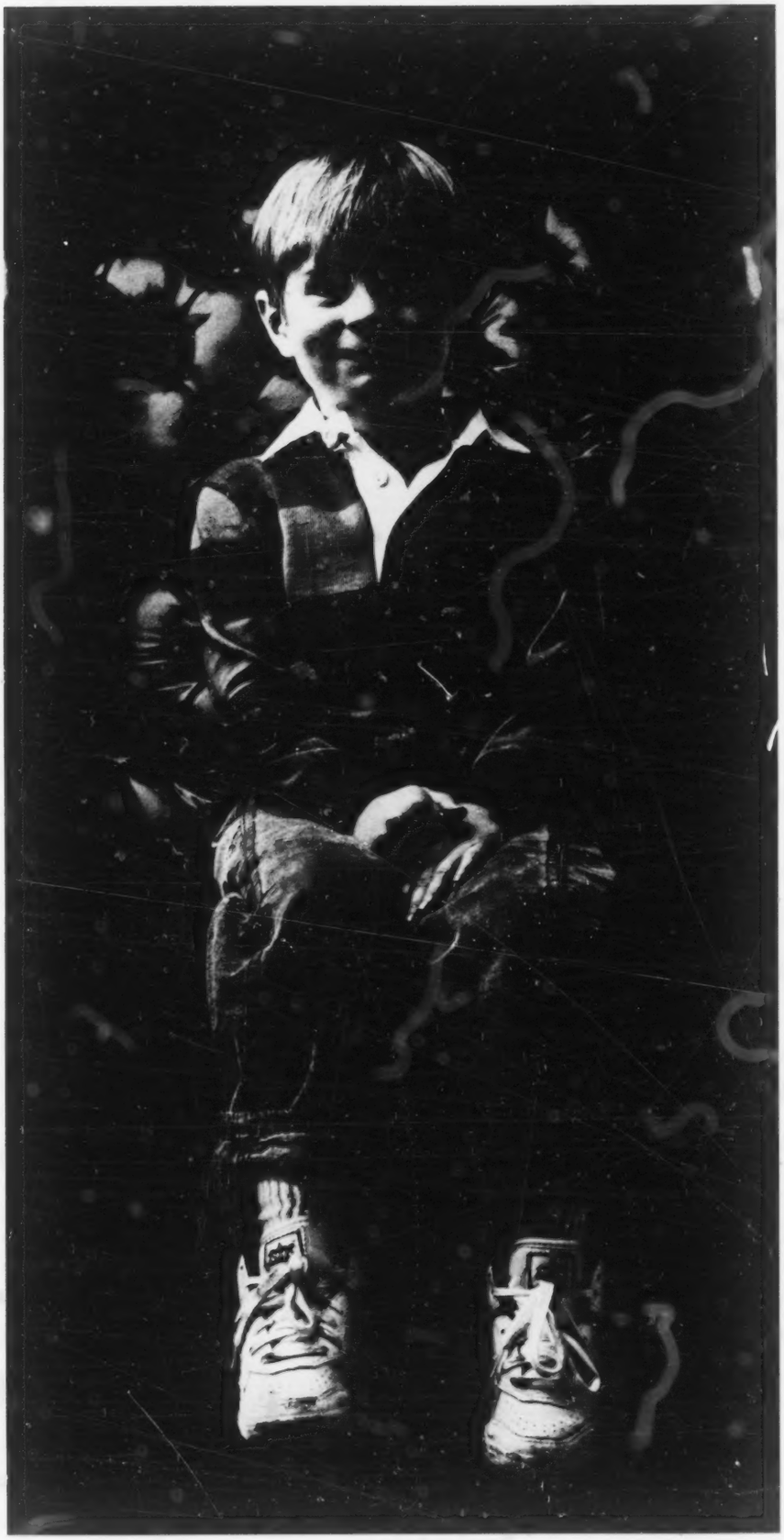
Income

(Continued from Page 32)

43 among promotional services agencies, bought itself back last year. Carlson Cos., Minneapolis, acquired FKB's Saugatuck Group, Westport, Conn., in August. Another former FKB shop, American Consulting Corp., No. 10 among sales promotion agencies last year, was dissolved, while QLM, No. 18 on last year's sales promotion agencies ranking, was bought by management.

The depressed U.K. stock market opened KLP Group to acquisition by Paris-based RSCG Group. KLP's lone U.S. property changing hands was Comart-KLP, ranking No. 7 among U.S. promotional services agencies.

Cato Johnson Worldwide, a unit of Young & Rubicam, New York, broadened its base when Y&R reorganized its sales promotion and direct-response units. Under the new alignment, Hutchins/-Y&R, New York, and Arthur Wilk Communications, Chicago, now report to Cato. □



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Sales promotion's badge of honor

Agency-of-record status builds in importance for shops

By Laurie Freeman

Garnering agency-of-record status has never been more important to sales promotion agencies.

In recent months, Quaker Oats Co. appointed William A. Robinson Inc., Chicago, as its sales promotion agency of record for Aunt Jemima syrups, pancake mix and frozen breakfast foods.

AT&T Co.'s Special Long Distance unit accorded Einson Freeman, Paramus, N.J., agency-of-record status for out-of-home long-distance services; and Kentucky Fried Chicken Corp. awarded agency-of-record status to Coddington, Chadwick & Meyerson, New York.

What these marketers found was "if you keep bringing agencies in and out on a project basis, they don't know your business as well as they should," says Lee Blitch, product marketing director at the AT&T unit.

"It takes time to bring an agency up to date . . . time that you don't always have in a competitive marketplace."

With the rise of scanner-based technologies and increased retail trade power over shelf space, information-sharing between client companies and sales promotion agencies is becoming crucial.

"With an agency of record, you're probably more willing to share a broader amount of information with them because you're in a permanent relationship," says John Lowrie, VP-division general manager, consumer products, Reynolds Metals Co. Einson Freeman has been Reynolds' agency of record for three and a half years.

Agency-of-record status, a long-sought prize for its financial stability, remains an uphill climb.

Advertising Age's 1991 survey of sales promotion agencies shows 51.9% of respondents say one-fourth or fewer of their clients named them agency of record. Another 22.8% say one-fourth to half of their clients bestowed the honor on them. Only 25.3% of respondents say they have agency-of-record status with more than half of their clients.

A recent Council of Sales Promotion Agencies survey of 50 client companies offers similar findings: 58% of the companies sampled say they work with shops on a project basis only. Thirty percent say they work on both a retainer and project basis, while only 12% say they work on a retainer basis only.

But the fact it's not pervasive doesn't mean shops don't yearn for agency-of-record recognition.

"It means we're sitting on the same side of the table as the strategic partner," says Einson Freeman President Jeff McElnea.

The recognition "gives you an opportunity to assign people full-time to the business and retain continuity," says Llewellyn Ross, exec VP and a principal of QLM Associates, Princeton, N.J.

Without such status, sales promotion agency executives say they often are left out of the information loop, a situation that hampers marketing efforts.

"When you're not on some kind of agreement, the client gives you only half the information you need," says Michael Wahl, president, Howard Marlboro Group, New York. "When that happens, you end up doing work that is the right solution to the wrong problem."

The promotion business no longer involves creating "just an FSI or a sweepstakes," says Alan Maites, president of William A. Robinson. "More and more clients are looking at us as marketing and strategic partners."

> **"If you're on a project basis, you're in a selling mode."**

Quaker Oats, in naming the agency to handle Aunt Jemima promotions late last year, has made it "a member of the team together with brand marketing people, internal promotion people, R&D, manufacturing people," Mr. Maites says.

"We're getting the [marketing] information at the same time the internal people are. It has proved to be a real partnership."

Quaker Oats believes working with a promotion agency in an agency-of-record capacity helps establish a marketing partnership with the brand.

"It gives [the agency] a chance to focus on what [the marketer] wants to do [with the brand] in terms of long-range plans," says Laura Jackson, media relations coordinator.

For some sales promotion shops, agency-of-record status has become standard operating procedure. At Frankel & Co., Chicago, 98% of the company's business is conducted on such a basis, with the remainder project assignments. That's compared with 60% 10 years ago.

"We don't try to get project work; our entire focus is on long-term relationships," says Chairman Bud Frankel. "If you're on a project basis, you're in a selling mode, which I think is a negative situation."

Still, some companies always will sincerely believe they'll miss out on a hot promotion if they tie themselves to one sales promotion agency, executives admit.

"Some clients will shy away from [agency of record] for sales promotion agencies," says Mr. Maites. "Instead, they may look at [it] for a specific product or division. And we encourage them to do that, too."

However, few sales promotion agencies will turn down project work. One reason is agencies can charge clients substantial premiums—as much as 20% more, according to one agency—for non-retainer work.

In many instances, clients that originally come in the door for project work only become convinced agency-of-record status is the right thing to do, Mr. Ross says.

"It's a nice vote of confidence from a client that says 'Hey, you're our partner in our marketing effort.' " □

Laurie Freeman is a free-lance writer based in Ann Arbor, Mich.

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Promotional services agencies (continued)

Rank 1990	Rank 1989	Agency, headquarters	Gross income 1990	Gross income 1989	% chg	Employees 1990	Employees 1989	Leading service	Top executive, title	Telephone	Verified
30	22	**Promotion Group**, New York	$3,505	$3,335	5.1%	18	19	merch/pop	Daniel J. Gorman, chmn	(212) 490-5656	
31	53	**Promotional Innovations**, Stamford, Conn.	3,500	1,500	133.3	23	18	tie-ins	John Henderson, president	(203) 325-3448	✓
32	35	**Fresh Perspectives**, Armonk, N.Y.	3,396	2,600	30.6	13	9	graphics/coll	Caren Berlin, president	(914) 273-6802	✓
33	43	**Marketing Continuum**, Dallas	3,329	2,150	54.8	24	18	merch/pop	Roberta Merkel, president	(214) 520-0080	✓
34	40	**Ventura Associates**, New York	3,200	2,300	39.1	25	24	swps/games	Ken Fehskens, president-ceo	(212) 586-9720	
35	34	**Waldbillig & Besteman**, Madison, Wis. [1]	3,013	2,687	12.1	29	29	NA	William J. Waldbillig, president	(608) 238-4767	
36	29	**Long, Haymes & Carr**, Winston-Salem, N.C. [2]	2,993	2,999	(0.2)	NA	NA	event mktg	Robert E. Fly, president-coo	(919) 765-3630	
37	30	**Arian, Lowe & Travis Advertising**, Chicago [1]	2,977	2,925	1.8	44	44	NA	David Lowe, ceo	(312) 243-3500	
38	25	**Hesselbart & Mitten Advertising**, Fairlawn, Ohio [2]	2,941	3,060	(3.9)	NA	NA	NA	Michael Atwell, exec vp	(216) 666-3727	✓
39	33	**Responsive Marketing Communications**, Schaumburg, Ill.	2,876	2,707	6.3	32	30	promo pkg	A.J. Marsiglia, president	(708) 240-1100	✓
40	26	**Intergroup Marketing Promotions**, Bloomfield Hills, Mich. [2]	2,872	3,044	(5.7)	NA	NA	NA	David Sowa, cfo	(313) 433-5200	
41	39	**PGM**, Chicago	2,696	2,371	13.7	27	22	graphics/coll	W.I. Goldman, S.D. Miller, partners	(312) 337-7676	✓
42	42	**Davidson Marketing**, Chicago	2,647	2,192	20.8	27	23	graphics/coll	Jay Farrell, president	(312) 527-3900	✓
43	41	**Louis London**, St. Louis	2,479	2,228	11.3	37	34	graphics/coll	Mark Shapiro, president	(314) 367-4100	✓
44	23	**Berenson, Isham & Partners**, Boston [1]	2,349	3,279	(28.4)	18	19	NA	Paul S. Berenson, president	(617) 423-1120	✓
45	37	**Difranza Williamson**, New York	2,312	2,475	(6.6)	29	31	graphics/coll	Elizabeth Powers-Trupp, managing dir	(212) 463-8302	
46	46	**Admark**, Topeka, Kan. [1]	2,181	1,999	9.1	45	40	NA	Sondra Busch, president	(913) 267-4712	✓
47	45	**PMC Partnership**, Westport, Conn.	2,100	2,000	5.0	10	11	swps/games	Sam Stryker, exec vp	(203) 227-8478	
48	44	**August, Bishop & Meier**, Chicago	2,009	2,044	(1.7)	18	23	merch/pop	Norman August, president	(312) 988-9200	✓
49	59	**Deare Marketing**, New York	1,979	1,216	62.8	12	8	tie-ins	Jennifer Deare, president	(212) 929-1313	
50	31	**William A. Robinson**, Chicago	1,959	2,911	(32.7)	21	28	merch/pop, graphics/coll	Alan Maites, president	(312) 372-9333	
51	50	**Sports Etcetera**, New York	1,867	1,758	6.2	10	6	event mktg	Ella Musolino-Alber, president	(212) 465-6565	✓
52	51	**Strategic Promotions**, Dallas	1,825	1,577	15.7	31	28	promo adv	Grahame R. Hopkins, president-creative dir	(214) 871-1016	✓
53	54	**National Promotion Services**, Atlanta	1,800	1,455	23.7	17	14	graphics/coll	Daniel Dodson Jr., exec vp	(404) 266-9258	✓

Notes: Dollars are in thousands. See Page 38 for footnotes, Page 34 for methodology. Chart continued on Page 38.

'Fill the top because the bottom always leaks'

By Laura Loro

For sales promotion shops, too much of a good thing can be dangerous.

McCracken Brooks Communications learned that tough lesson last year when the Minneapolis-based shop lost its two biggest accounts: CVN Television, a cable shopping channel, and G. Heileman Brewing Co., which had grown to account for 40% of the shop's business.

The agency recovered, replacing about two-thirds of the business with three accounts: Coors Brewing Co., Land O'Lakes and Coca-Cola Foods. Other smaller pieces made up the rest, says Keith McCracken, president-ceo.

"What we did is dig in and get very aggressive about new business," Mr. McCracken says.

New-business acquisitions in 1991 include Heinz Pet Products, K-Tel International, E.J. Brach Corp., Freezer Queen Foods and Northrup King Co., a lawn and garden company.

Client totals have increased from 12 during the CVN/Heileman days to more than 20.

"What we did is dig in and get very aggressive about new business."

"The degree to which you can control those percentages is the degree to which you can be successful," he says.

Revenues in 1990 remained flat but are expected to grow 40% in 1991 to more than $5.2 million, Mr. McCracken says.

But not all agencies have learned the lesson.

Advertising Age's 1991 survey of sales promotion shops shows 27.4% of respondents report one or two clients account for at least 50% of revenues.

An additional 26.2% rely on three clients for half of their revenues, while another 21.4% rely on four or five clients for half of their business.

Only 25% of the shops surveyed are diversified to the point where they rely on more than five clients for 50% of their revenues. However, experiences such as those of McCracken Brooks are leading more shops to try to join that elite 25%.

"There is a natural tendency on the part of sales promotion agencies—as well as ad agencies—when you have a highly profitable and expanding relationship with a client, to exploit that," says Thomas Conlon, chairman-ceo of D.L. Blair Corp., Garden City, N.Y.

"But it becomes risky from an agency's standpoint when one or two clients represent such a large part of profitability," he says.

There is no real industry rule of thumb on how billings should be apportioned among clients. Most agencies establish their own comfort point.

"Five or six clients representing 50% of business is healthy," says Joseph Flanagan, president of Impact, Chicago. "When you get down to two pieces of business representing 50%, you get into a danger zone."

While no agency would turn away a big client, shops must continually watch their client mix, Mr. Conlon says.

"It is incumbent upon an agency to review, every six months to a year, the importance of each of its clients. If one or more clients reaches a point of disproportionate business, the agency has to get out and reduce the percentage from new business or increase billings from all of its clients," he says.

Comart-KLP monitors billing apportionment "at least yearly," says Chairman-CEO Vincent Sottosanti. "And our instincts monitor it constantly.

"You can't fire your best client if it represents too much volume. You do a full-court press to get" additional business, he says.

His agency is doing just that. Chemical Bank, which had represented 15% of total business, left in 1990.

"If that had represented one-third or more [of billings], we would not be able to survive," Mr. Sottosanti says.

The key to maintaining client balance is to never have new business take a back seat, Mr. Flanagan says.

"Always continue to fill the top of the cup because there is always stuff leaking out of the bottom. It's just the way it is," he says.

If an agency has expertise in a certain area, it can be expanded to include, not conflicting clients,

(Continued on Page 38)

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Promotional services agencies (continued)

Rank 1990	Rank 1989	Agency, headquarters	Gross income 1990	Gross income 1989	% chg	Employees 1990	Employees 1989	Leading service	Top executive, title	Telephone	Verified
54	38	**Mitchell & Co.**, Toledo, Ohio [1]	$1,778	$2,418	(26.5)%	17	26	merch/pop, dir mktg	Mark Mitchell, president	(419) 243-7600	✓
55	52	**Girgenti, Hughes, Butler & McDowell**, New York [2]	1,750	1,540	13.6	NA	NA	NA	Steven Girgenti, president	(212) 481-7080	✓
56	56	**Hobson Barnes & Associates**, Atlanta	1,676	1,429	17.2	20	20	event mktg	Tony Hobson, president	(404) 951-1888	✓
57	55	**Grant Marketing Communications**, Lafayette Hill, Pa. [1]	1,626	1,451	12.1	25	22	promo adv, price promo	Howard C. Grant, chmn	(215) 834-0550	✓
58	48	**Adair-Greene Advertising**, Atlanta [1]	1,625	1,958	(17.0)	NA	NA	NA	Warren Greene, president	(404) 351-8424	✓
59	65	**Zipatoni Co.**, St. Louis, Mo.	1,439	762	89.0	18	17	graphics/coll	Jack Thorwegen, ceo	(314) 481-6600	✓
60	64	**DVI Marketing Services**, Costa Mesa, Calif.	1,340	819	63.5	22	17	promo adv	Donald L. Carr, president	(714) 549-9900	
61	62	**Source Marketing**, Westport, Conn.	1,258	1,050	19.8	6	5	graphics/coll	Howard Steinberg, president	(203) 454-0348	✓
62	58	**Creative Exchange Promotion**, New York	1,176	1,263	(6.9)	11	10	merch/pop	Laurence Bachmann, president	(212) 206-1223	
63	60	**Daniel Glassman**, Fairfield, N.J.	1,170	1,090	7.3	14	12	telemktg	Daniel Glassman, president-ceo	(201) 575-3507	
64	68	**Wolf, Mansfield, Bolling**, Buffalo, N.Y. [2]	990	580	70.7	NA	NA	NA	Al Offen, exec. vp-coo	(716) 886-4000	
65	63	**Saxton Communications Group**, New York	943	820	15.0	5	5	tie-ins	Michael J. Enzer, president	(212) 867-2210	✓
66	61	**Daymark**, Cincinnati	837	1,054	(20.6)	12	12	dir mktg	Kerry B. Didday, president	(513) 751-1730	
67	72	**Sales Development Associates**, St. Louis [3]	730	327	123.2	12	10	telemktg database	Patricia M. Biggerstaff, president	(314) 862-8828	
68	69	**PROMOT**, Los Angeles	666	500	33.1	12	8	graphics/coll, premiums	K.J. Laessig	(213) 466-0990	✓
69	66	**R.P. Klein Associates**, New York	635	650	(2.3)	5	5	graphics/coll	Richard Klein, president	(212) 557-1450	✓
70	67	**Goss & Topp**, Exton, Pa.	554	616	(10.0)	8	8	tie-ins	Alexandra F. Goss, president	(215) 524-9933	
71	71	**DD&A**, Chicago	421	383	9.8	6	5	merch/pop	Dean Daigler, president	(312) 372-4722	✓
72	70	**Delfino Marketing Communications**, Valhalla, N.Y. [2]	388	458	(15.3)	NA	NA	promo adv	Geno B. Delfino, president	(914) 747-1400	✓
73	73	**Market-zing**, Cleveland, Ohio	354	285	24.2	NA	NA	NA	Jim DeVoe, ceo	(216) 831-0110	✓
74	74	**Lardis, McCurdy and Co.**, Meriden, Conn. [2]	285	275	3.6	NA	NA	NA	Don S. McCurdy, president	(203) 235-7040	✓
75	NA	**DK Group**, Hillsdale, N.J. [1]	221	NA	NA	6	8	NA	Richard Knel, president	(201) 358-6100	✓
76	75	**Dovetail Partner Promotions**, Overland Park, Kan.*	205	189	8.2	2	2	tie-ins	Richard G. Hopkins, president	(913) 642-8334	
77	76	**Don Wise Design**, New York*	113	113	0.0	6	8	graphics/coll	Don Wise, president	(212) 371-3333	

Notes: Dollars are in thousands. Rankings for agencies are based on gross income, defined as billings to clients less outside costs. Rankings for 1989 are computed from figures reported in 1990. Employee totals are limited to full-time personnel. Abbreviations used in leading service column denote: consulting, direct marketing, event marketing, graphics/collateral, merchandising/p.o.p., premiums/incentives, price promotion, promotional advertising, promotional packaging, sales meetings/A.V., sampling, sweepstakes/games/contests, telemarketing and tie-ins. Leading service does not include concept development and strategic planning. ✓ indicates an independent accountant verified figures. 1. Gross income includes minor portions of income from services other than sales promotion; 2. Gross income is limited to sales promotion returns; 3. Figures from 1989 are for 3 months. * indicates gross income is an AA estimate. See Page 34 for methodology. **Source:** Advertising Age survey.

AA Chart: Kathy Welyki and Kenneth Wylie

Recession

(Continued from Page 31)

the-board freeze on marketing budgets," he says. "Only what had to be done in the marketplace was done."

That one-two punch caught manufacturers off guard, Mr. Hawn says, but he also says the promotion industry wasn't prepared because it was riding "the promotion-is-booming euphoria."

Vincent Sottosanti, president of Comart-KLP, New York, says both sides "were caught short by this recession" because business for both had been so strong since '82.

"But now that the recession is settling in, advertisers are taking the time to plan ahead . . . and are again looking at goals that are best served by promotion. So there's been an uptick," he says.

Nevertheless, the promotion business has been changed, perhaps permanently, by the recession, he says.

"We've never had so many clients require justification for promotional marketing recommendations. It reflects the pressures to make marketing more accountable," he says. "And some of the old-boy-network relationships are gone in this climate. That's all OK, but it's different."

Lee Flaherty, president of Flair Communications, Chicago, says, "A recession is nature's way of telling you it's time to make changes, and I think this industry has had to stop and re-evaluate some things.

"Clients too are re-examining how to turn up the [sales] volume," he adds. "I think they're coming to appreciate the value of promotions again, but it has been after some reconsideration."

One change has been increased spending on what Mr. Flaherty calls the "hidden places in marketing," such as sales motivation and incentive programs. Several agencies say clients have asked them to develop more internal motivation and training programs.

"Clients are looking at areas like relations with the trade and distribution. There's a heavy focus on alternatives to media advertising," Mr. Maites says. "And that has gotten us looking at all the various promotional media available more than ever before."

Although many promotion executives say they expect to see marketing budgets loosen up by this year's fourth quarter, the promotion industry that emerges from the economic downturn may be fundamentally different from the one that entered it, they believe. □

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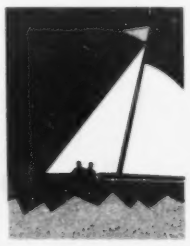

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Leaks

(Continued from Page 37)

but allied clients. For example, if an agency has a hardware manufacturer as a client, a software client would be a good prospect, Mr. Flanagan says.

Despite seeking clients in related fields, Mr. Flanagan is wary of having too many clients in one industry.

"You don't want to be caught in an industry which is suddenly caught in a downturn. You have three or four pieces in that industry and [you can be hurt]," he says.

It is also important to match client size and agency size, Mr. McCracken says.

"Very big agencies are going after small pieces of business and very small agencies are going after large pieces of business—that could only result in failure. It's crucial that an agency decide the volume of business—to be profitable and to meet the needs of the client," Mr. McCracken says. □

Laura Loro is a free-lance writer based in Philadelphia.

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	March 1991	March 1990	Year-to-date 1991	Year-to-date 1990
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	109.0	136.3	306.6	410.7
Automobile Magazine C.	57.0	61.6	168.8	156.6
Car & Driver C.	95.8	94.2	272.3	266.2
Car Collector & Car Classics	25.0	22.5	61.0	59.1
Car Craft	61.3	66.8	145.1	173.9
Circle Track	83.8	87.9	255.3	265.7
Cycle	46.0	36.3	111.8	90.1
Cycle World	52.3	46.3	115.5	116.0
Dirt Rider	45.5	42.8	105.4	107.4
Dune Buggies & Hot VWs	64.4	64.6	202.3	196.9
Easyriders	38.7	25.1	111.8	73.7
Family Motor Coaching	180.6	194.7	501.3	494.5
Four Wheeler C.	80.4	74.5	216.3	207.0
Hot Rod C.	73.0	60.2	159.1	178.0
Motorcyclist	53.2	49.3	105.9	95.0
Motor Trend C.	81.8	70.9	205.6	191.1
Motorhome	81.7	96.9	240.0	274.2
Petersen's 4 Wheel	57.3	70.2	170.1	197.9
Rider	40.7	32.5	94.9	76.0
Road & Track C.	84.9	88.7	241.6	224.2
Trailer Life	79.2	101.6	235.7	264.8
Total Group	**1,491.7**	**1,524.0**	**4,026.4**	**4,118.8**
% change	**-2.1%**		**-2.2%**	
■ Boating & yachting				
Boating	96.7	138.3	308.4	479.0
Chesapeake Bay	31.2	43.8	79.8	115.1
Cruising World	108.3	119.8	295.1	319.7
Lakeland Boating (11X)	74.5	82.0	201.5	259.5
Motor Boating & Sailing	92.7	99.8	275.9	384.3
Sail	104.0	122.7	302.4	391.1
Sailing World	58.0	70.2	141.5	152.8
Trailer Boats (11X)	60.3	90.6	176.9	239.8
Yachting C.	114.3	133.1	365.4	453.3
Total Group	**739.9**	**900.3**	**2,146.9**	**2,794.5**
% change	**-17.8%**		**-23.2%**	
■ Civic/fraternal				
Elk (10X)	16.6	19.7	49.1	50.2
Kiwanis	15.3	15.2	51.4	56.4
Lion (10X)	11.2	4.3	17.0	10.9
Rotarian	18.5	14.3	55.2	46.5
V.F.W. (11X)	28.1	25.1	83.1	79.7
Total Group	**89.7**	**78.6**	**255.8**	**243.7**
% change	**14.1%**		**5.0%**	
■ General				
American Health (10X) C.	30.4	75.3	61.7	150.5
American Heritage (8X) C.	—	33.6	55.7	76.6
American Legion	26.8	36.7	108.6	117.1
Art & Antiques (10X) C.	107.0	109.5	191.3	222.8
ARTnews (10X)	83.5	131.5	260.3	346.3
The Atlantic A. C.	63.8	49.9	149.7	137.1
Bon Appetit A. C.	84.2	112.8	225.0	251.1
Cable Guide C.	19.3	33.9	70.7	88.9
Caribbean Travel & Life (6X)	73.9	39.3	125.6	76.2
Changing Times C.	51.0	59.2	145.8	163.4
Conde Nast Traveler C.	102.6	115.9	222.9	264.2
Connoisseur C.	42.9	60.3	102.2	163.9
Consumers Digest (6X) C.	21.2	26.7	47.9	48.1
Cooking Light C.	68.3	75.5	125.2	131.5
Departures N. America (6X)	—	—	79.8	38.5
Ebony C.	63.6	79.3	251.4	292.6
Endless Vacation (8X) C.	23.6	31.8	62.1	105.3
European Travel & Life (10X) C.	40.8	52.8	130.8	99.8
Food & Wine C.	60.9	60.4	133.6	148.3
Golden Years (6X)	31.6	40.6	64.4	84.0
Gourmet C.	86.5	114.9	244.2	274.7
Harper's Magazine A. C.	34.2	31.4	91.0	94.4
Islands (6X)	66.9	60.8	144.2	112.5
Let's Live	50.0	49.0	138.0	148.0
Life C.	38.3	55.8	118.9	147.3
Longevity C.	42.5	39.5	125.0	81.2
Mature Outlook (6X) C.	48.4	45.7	84.3	82.1
Modern Maturity (6X) C.	—	—	37.1	41.8
Money C.	91.9	102.2	280.1	286.9
National Geographic C.	20.3	19.6	60.6	70.7
National Geographic Traveler (6X) C.	65.8	77.2	98.3	98.9
Natural History C.	47.8	44.6	103.8	118.8
New Choices C.	29.8	27.6	77.9	77.4
Prevention C.	41.9	57.0	121.5	155.0
Reader's Digest A. C.	79.8	111.0	209.6	262.1
Saturday Evening Post (9X) C.	34.0	38.4	72.9	77.9
Smithsonian C.	67.8	74.1	207.8	230.3
Spin C.	37.1	40.8	104.8	103.0
Town & Country C.	81.0	143.9	204.5	359.2
Travel-Holiday C.	59.1	54.9	123.0	112.7
Travel & Leisure C.	129.1	147.7	324.1	335.5
Travelhost	1,136.8	1,287.0	3,270.1	3,616.0
Vanity Fair C.	122.3	145.2	235.7	295.4
Yankee C.	57.8	67.0	166.4	189.6
Total Group	**3,464.3**	**4,060.1**	**9,258.2**	**10,377.6**
% change	**-14.7%**		**-10.8%**	
■ Home				
Architectural Digest A. C.	89.4	139.7	281.6	394.4
Better Homes & Gardens C.	129.5	114.0	295.2	274.8
Colonial Homes (6X) C.	—	—	34.1	46.8
Columbus Monthly-Homes (4X)	—	—	26.7	20.6
Country Home (6X) C.	—	—	40.1	31.3
Country Life (6X)	48.9	55.0	109.8	104.8
Country Living C.	89.5	100.4	222.9	246.7
Family Handyman (10X) A. C.	41.3	36.4	124.1	95.4
Florida Home & Garden	41.5	71.3	134.0	210.4
Flower & Garden (6X)	39.9	46.7	39.9	46.7
Home C.	64.6	74.8	144.1	155.3
Home Mechanix C.	32.3	38.3	66.7	101.4
Homeowner (10X) C.	40.0	32.4	69.0	60.1
Horticulture	53.7	50.0	128.6	135.9
House Beautiful C.	67.2	63.9	159.9	161.2
House & Garden C.	88.5	116.9	193.2	234.1
Metropolis (10X)	50.4	49.0	109.8	119.8
Metropolitan Home C.	65.4	86.6	171.9	213.9
Midwest Living C.	—	—	50.6	41.0
1,001 Home Ideas C.	61.8	72.9	140.7	165.5
Organic Gardening (9X) C.	60.1	59.4	154.0	142.7
Phoenix Home/Garden	59.2	92.4	161.6	210.1
Practical Home-owner (9X) C.	51.3	45.7	144.5	115.4
San Diego Home/Garden	56.0	55.5	171.0	190.3
Southern Accents (11X) C.	47.6	74.3	88.7	134.5
Southern Living C.	109.2	135.7	270.4	305.5
Sunset Magazine A. C.	149.6	132.9	326.3	326.0
Workbench (6X)	44.7	27.9	44.7	27.9
Total Group	**1,581.2**	**1,772.2**	**3,903.8**	**4,363.5**
% change	**-10.8%**		**-10.5%**	
■ In-flight & other passenger				
Aboard Group (6X)	32.7	39.8	73.4	77.5
Alaska Airlines	50.8	75.2	155.7	213.7
America West Airlines	76.3	82.5	209.7	230.0
American Way (24X) C.	115.0	150.6	350.1	407.6
Continental Profiles	43.1	62.0	110.1	146.9
Delta Sky C.	68.8	83.0	193.0	209.7
Pan Am Clipper	38.2	46.8	96.7	129.1
Southwest Spirit	60.5	66.5	151.1	141.2
Spirit of Aloha	40.4	34.8	111.6	102.6
Trump's	29.1	23.1	53.6	44.5
TWA Ambassador B.	36.5	—	104.3	—
United Vis 'A Vis	85.6	91.8	209.2	195.4
US Air Magazine	69.0	60.6	196.4	172.2
Total Group	**709.5**	**816.6**	**1,910.6**	**2,070.3**
% change	**-13.1%**		**-7.7%**	
■ Men's				
Esquire A. C.	89.0	141.1	193.2	282.0
Firehouse Magazine	44.8	31.4	135.7	95.6
Gentlemen's Quarterly A. C.	183.4	236.1	355.9	448.3
M Inc. C.	47.0	92.0	152.5	202.0
Men's Health (6X)	28.7	24.3	47.1	24.3
Muscle & Fitness C.	124.3	104.8	353.7	299.5
Penthouse A. C.	49.5	59.5	177.8	154.1
Playboy A. C.	52.2	63.2	172.8	163.8
Total Group	**518.9**	**752.4**	**1,588.7**	**1,669.4**
% change	**-17.7%**		**-4.8%**	
■ Metropolitan				
Aloha (6X)	35.5	40.7	73.0	86.0
Annapolitan	41.5	62.0	138.1	193.7
Atlanta	73.2	68.4	184.2	182.9
Baltimore	41.0	52.7	118.7	161.8
Boston	79.1	104.7	216.9	286.6
California C.	59.4	75.2	129.5	165.9
Chicago	85.8	108.1	195.0	264.5
Chicago's North Shore	83.0	109.6	218.8	261.1
Cincinnati	28.6	22.5	93.6	99.3
Cleveland	51.4	45.9	90.7	114.4
Columbus Monthly	34.2	46.3	113.6	150.7
Connecticut	51.9	90.1	163.1	263.9
D/Magazine	48.4	61.5	126.0	153.9
Detroit Monthly	29.3	51.5	122.9	148.4
Grand Rapids	19.0	24.3	67.6	73.8
Gulf Coast (13X)	102.7	56.8	274.1	143.3
Honolulu	46.4	56.9	127.3	153.9
Houston Metropolitan Magazine	54.7	45.9	166.5	98.0
Inside Chicago (8X)	17.5	24.0	33.5	42.0
L.A. Style	75.5	124.8	188.1	263.6
Los Angeles	87.2	120.8	248.8	364.9
Louisiana Life (6X)	32.8	26.6	55.5	57.3
Madison	26.0	28.0	90.0	107.0
Memphis	43.4	49.0	134.0	158.7
Mid Atlantic Country	45.1	36.1	127.0	99.8
Milwaukee	60.2	61.2	153.8	151.5
Minneapolis/St. Paul	97.7	108.6	250.0	308.8
Minnesota Monthly Magazine	41.8	57.9	129.2	175.0
New Jersey Monthly	45.7	70.3	129.7	185.1
New Mexico	21.5	19.5	143.5	129.9
Ohio	51.4	54.3	119.0	149.3
Orlando	96.8	98.8	284.8	276.8
Pacific Northwest	33.6	51.0	80.0	124.9
Palm Beach Life	62.7	99.1	191.3	283.5
Palm Springs Life	160.0	158.5	457.0	500.7
Philadelphia	93.9	110.2	292.6	387.9
Phoenix	26.4	30.2	85.5	124.7
Pittsburgh	67.2	77.8	183.4	180.8
Rhode Island Monthly	32.0	51.0	120.6	143.8
Sacramento Magazine	41.8	49.8	153.7	153.1
St. Louis	33.0	51.5	104.0	130.2
San Diego	96.2	133.5	263.9	364.4
San Francisco Focus C.	65.7	102.2	185.1	248.8
Sarasota (10X)	101.0	131.0	244.1	330.0
South Florida Magazine	42.8	84.6	170.5	279.2
Texas Monthly C.	108.4	135.6	297.9	314.6
The Washingtonian	100.6	118.5	279.3	365.6
Total Group	**2,772.6**	**3,387.6**	**7,815.2**	**9,403.8**
% change	**-18.2%**		**-16.9%**	
■ Music/entertainment				
Audio	68.2	71.9	225.5	252.6
Dance Magazine	59.5	66.6	196.5	198.3
Playbill	34.4	41.2	108.3	125.7
Premiere C.	55.0	52.9	155.0	165.1
Video Magazine	62.8	58.0	202.9	198.0
Total Group	**279.9**	**290.5**	**888.1**	**939.6**
% change	**-3.6%**		**-5.5%**	
■ Outdoor & sport				
Alaska	55.6	44.1	141.1	122.3
The American Handgunner (6X)	51.0	59.0	103.0	113.0
American Hunter	15.9	18.8	47.4	56.9
American Rifleman	19.4	22.6	58.8	67.5
Backpacker (8X) C.	—	—	22.1	23.6
Bass Master (10X) A. C.	102.3	36.6	262.4	244.4
Bicycling (9X) C.	130.9	138.3	202.8	214.1
Ducks Unlimited (6X)	35.5	47.0	54.9	71.6
Field & Stream C.	81.9	110.6	194.5	224.8
Fishing World (6X)	40.8	47.7	71.2	128.0
Florida Sportsman	131.0	148.2	365.6	459.2
Golf Digest C.	96.0	105.8	282.7	356.2
Golf Illustrated C.	67.7	74.0	112.8	116.8
Golf Magazine C.	111.5	101.5	367.6	395.2
Guns	35.0	44.0	108.0	126.0
Guns & Ammo	37.3	72.3	101.3	145.8
In-Fisherman (7X)	72.5	80.0	187.0	193.5
Outdoor Life C.	75.9	79.7	184.3	194.0
Outside Magazine C.	76.6	69.9	167.8	153.2
Petersen's Hunting	36.0	29.0	103.8	98.6
Runner's World (12X) C.	43.1	29.0	143.9	81.0
Salt Water Sportsman C.	95.1	122.3	302.7	383.3
Shooting Times	27.7	33.2	78.6	95.8
Sierra (6X)	41.5	40.5	86.5	69.5
Ski (8X) A. C.	49.6	50.5	248.7	247.8
Skiing (7X) A. C.	68.5	85.1	229.6	230.0
Skin Diver C.	116.2	121.5	344.0	325.3
Southern Outdoors (9X)	35.4	54.2	127.8	152.0
Sport Magazine C.	49.0	36.2	104.4	86.5
Sports Afield C.	67.8	87.0	192.7	205.4
Surfing	46.3	66.3	175.6	207.0
Tennis C.	64.6	77.0	152.4	165.6
Western Outdoors (9X)	30.6	44.6	74.3	124.2
WindRider (8X)	52.7	60.7	52.7	60.7
World Tennis C.	30.0	29.3	81.8	92.5
Total Group	**2,091.1**	**2,316.5**	**5,535.0**	**6,031.0**
% change	**-9.7%**		**-8.2%**	
■ Photography				
American Photo (6X) C.	44.2	46.1	86.1	86.7
Petersen's Photographic	27.7	20.6	76.9	61.1
Popular Photography C.	99.9	95.0	315.8	292.7
Total Group	**171.8**	**161.7**	**478.8**	**440.5**
% change	**6.3%**		**8.7%**	
■ Science/electronic/mech				
Discover C.	28.3	43.8	93.8	113.9
Home Office Computing C.	41.0	53.5	121.2	167.9
Omni C.	54.7	54.7	177.3	164.8
Popular Mechanics C.	61.5	63.4	157.3	180.7
Popular Science C.	55.0	71.5	148.1	159.4
Scientific American C.	37.6	30.3	139.1	102.7
Spectrum C.	42.3	45.4	139.1	159.4
Total Group	**320.5**	**362.5**	**975.9**	**1,048.7**
% change	**-11.6%**		**-6.9%**	
■ Woman/fashion/service				
Bride's Magazine (6X) A. C.	—	—	807.8	790.7
Cosmopolitan A. C.	182.1	165.9	442.3	442.9
Elle C.	216.8	235.8	394.9	444.0
Essence C.	61.8	81.1	164.6	199.2
Family Circle (17X) A. C.	116.3	120.1	347.5	352.9
Glamour C.	182.4	184.5	361.3	358.7
Good Housekeeping A. C.	138.4	149.7	380.5	368.3
Harper's Bazaar C.	141.4	175.9	278.7	350.2
Health C.	43.6	38.4	97.7	104.2
Imagen	83.6	119.7	203.8	251.1
Ladies' Home Journal C.	142.1	153.3	358.6	349.4
Lear's C.	52.7	75.5	117.5	167.0
Mademoiselle C.	121.6	144.6	260.0	313.0
McCall's C.	96.3	86.9	253.7	233.1
Military Lifestyle (10X)	53.7	40.9	99.9	123.6
Mirabella C.	100.6	141.5	228.7	285.5
Modern Bride (6X) C.	—	—	627.3	631.5
New Woman C.	80.0	82.2	189.7	209.6
Parenting (10X) C.	86.2	72.3	162.6	132.8
Parents Magazine A. C.	125.4	121.7	323.3	303.7
Redbook C.	115.5	127.3	260.2	266.5
Self C.	94.7	136.7	199.6	292.2
Seventeen C.	127.6	174.7	235.4	295.6
Shape C.	54.5	59.5	151.2	144.9
Soap Opera Digest (26X) C.	30.5	36.9	94.0	96.2
Teen Magazine	65.1	69.1	117.6	128.8
True Story A. C.	45.0	59.9	118.9	165.4
Victoria C.	51.9	56.8	122.4	138.3
Vogue C.	335.7	380.9	653.6	710.7
W Magazine (26X) C.	128.8	168.4	306.2	393.6
Weight Watchers C.	38.8	35.2	108.0	113.2
Woman's Day (15X) A. C.	64.0	166.0	203.0	331.3
Workbasket (6X)	37.1	21.3	37.1	21.3
Working Mother C.	58.5	65.4	164.0	176.5
Working Woman C.	84.9	88.4	213.9	250.7
Total Group	**3,357.5**	**3,836.4**	**9,085.8**	**9,936.4**
% change	**-12.5%**		**-8.6%**	
■ Youth				
Boys' Life C.	17.6	16.6	45.4	58.6
Campus Life (10X)	75.0	63.2	165.7	140.5
Total Group	**92.6**	**79.8**	**211.0**	**199.2**
% change	**16.1%**		**6.0%**	
■ Business/national				
Barron's	135.5	146.1	352.4	397.9
Black Enterprise C.	55.7	52.9	207.7	230.4
Business Week (5X) A. C.	206.8	284.1	600.8	756.0
Economist (52X) C.	229.2	237.6	540.9	603.6
Entrepreneur C.	151.8	139.6	535.6	510.7
Financial World (26X) C.	47.8	101.3	124.6	245.1
Forbes (26X) C.	194.3	212.2	565.6	679.9
Fortune (26X) C.	152.7	227.0	408.2	624.9
Frequent Flyer	33.3	41.7	109.2	113.0
Futures	43.3	40.7	110.2	116.9
Inc. Magazine C.	62.2	66.8	197.3	236.8
Income Opportunities	84.1	81.3	180.2	172.4
Industry Week (23X) A.	71.3	83.6	192.2	253.8
Nation's Business (12X) A. C.	23.0	31.6	79.3	82.9
Success C.	36.5	38.6	111.8	79.5
Total Group	**1,527.4**	**1,785.1**	**4,315.9**	**5,103.7**
% change	**-14.4%**		**-15.4%**	
■ Business/regional				
Business First of Columbus (52X)	103.8	100.0	276.3	243.3
Bus. Jrnl.-Milwaukee (52X)	112.6	136.3	313.1	434.1
Bus. Jrnl.-Sacramento (52X)	72.5	86.2	206.6	244.2
Bus. North Carolina	26.7	39.0	82.7	167.0
Capital Dist. Business Review (52X)	66.4	63.8	185.2	177.6
Caribbean Business	69.6	123.2	252.6	266.9
Corporate Rpt. Minnesota	51.1	39.7	133.1	130.6
Crain's Chicago Bus. (52X)	91.9	149.3	238.7	351.1
Crain's Cleveland Bus. (52X)	47.4	51.9	144.9	161.4
Crain's Detroit Bus. (52X)	63.3	94.3	183.5	244.0
Crain's New York Bus. (52X)	45.0	61.0	137.0	153.0
Florida Trend (13X)	26.6	36.0	87.8	109.3
Georgia Trend	42.0	55.5	99.3	118.1
Grand Rapids Business Journal	57.2	57.7	143.9	156.6
Hawaii Business	69.2	62.7	139.7	141.0
Houston Bus. Jrnl. (52X)	109.7	66.0	282.0	199.0
Indianapolis Bus. Jrnl. (52X)	119.0	138.0	308.2	384.6
Nashville Business & Lifestyle B.	20.3	—	59.7	—
New England Bus. (12X) A.	35.2	31.8	65.3	95.8
New Orleans City Bus.	76.5	46.3	221.3	150.9
Pacific Bus. News (52X)	99.7	85.2	275.6	260.2
Philadelphia Business Journal (52X)	78.2	107.4	218.2	342.2
Pittsburgh Bus. Times (52X)	66.0	112.4	164.5	287.0
Providence Business News	67.9	68.3	191.0	195.3
St. Louis Bus. Jrnl. (52X)	120.8	111.5	327.2	302.3
Warfield's/Maryland (26X)	62.5	51.4	143.6	161.1
Total Group	**1,780.7**	**1,975.0**	**4,821.3**	**5,476.6**
% change	**-9.8%**		**-12.0%**	
■ National Sunday mags				
Parade (52X) C.	75.7	44.9	196.5	142.0
USA Weekend (52X) C.	63.3	51.9	150.3	154.6
Vista Magazine (52X)	23.9	18.6	42.1	42.8
Total Group	**162.9**	**115.5**	**388.9**	**339.4**
% change	**41.1%**		**14.6%**	
■ Newspaper Sunday magazine				
Boston Globe	164.6	244.6	376.[illegible]	552.3
Chicago Tribune	76.0	129.7	218.6	316.2
Cleveland Plain Dealer	43.0	61.6	91.4	94.5
The Dallas Morning News	61.8	49.2	120.3	133.3
Detroit Free Press	36.0	42.0	90.0	103.0
L.A. Times C.	29.7	102.3	105.5	211.1
Louisville Courier-Jrnl.	25.0	21.0	56.0	60.0
New York Times Magazine C.	326.8	363.2	679.7	818.6
Seattle Times	83.0	71.0	168.0	191.0
St. Louis Post Dispatch	71.0	74.5	196.5	193.8
Toledo Blade Magazine	51.9	36.6	94.8	86.8
Washington Post	105.6	109.1	235.2	276.2
Total Group	**1,074.4**	**1,304.8**	**2,432.7**	**3,036.8**
% change	**-17.7%**		**-19.9%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	150.2	120.6	514.5	395.3
Army Times Military Group:				
Air Force Times (52X)	129.5	132.0	367.9	418.8
Army Times (52X)	130.2	126.9	364.4	414.1
Navy Times (52X)	140.3	140.6	395.1	431.9
Capper's (26X)	28.0	24.9	95.5	100.0
Commonweal (22X)	13.5	16.3	26.1	32.1
Entertainment Weekly (52X) C.	81.8	80.2	185.5	152.4
Golf World (41X) C.	151.4	181.2	428.1	464.7
Grit (52X) A.	40.9	37.2	119.5	109.5
Jet (52X) C.	79.0	79.4	236.0	231.4
National Journal (50X) C.	55.0	57.0	120.0	128.5
National Review (25X)	21.5	20.1	76.3	67.0
New Republic (48X)	43.3	42.1	115.8	119.0
New York Magazine (50X) C.	173.5	193.7	434.3	521.2
New Yorker C.	126.4	159.7	317.9	489.4
Newsweek (52X) A. C.	134.1	165.0	369.0	473.5
People (51X) C.	255.7	246.7	663.1	656.4
Rolling Stone (25X) C.	123.9	160.0	299.1	386.6
Sporting News (52X) C.	39.1	41.5	89.1	117.6
Sports Illustrated (52X) A. C.	155.1	184.0	457.6	578.7
Time (52X) A. C.	162.8	180.4	441.6	529.2
TV Guide (52X) A. C.	207.7	265.7	653.5	802.7
US Magazine (26X) C.	29.4	59.3	87.4	144.7
U.S. News & World Report (50X) A. C.	141.3	149.9	327.3	396.2
Total Group	**2,614.6**	**2,864.2**	**7,184.5**	**8,160.8**
% change	**-8.7%**		**-12.0%**	

NOTES: Linage is given in paid ad pages. (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and % change. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. *Ad Age* makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

Changing fashions

New publishers try to shape up magazines

By Scott Donaton

The recent appointments of three new publishers at leading women's fashion magazines is expected to intensify the war for advertising in the troubled category.

Hearst Corp. last week named Carl Portale publisher of *Harper's Bazaar*, from the same post at Murdoch Magazines' *European Travel & Life*. Mr. Portale, 51, succeeds Martin Schrader, 66, who retires next month after 14 years at the magazine's helm.

In December, Anne Sutherland Fuchs jumped from publisher of Hachette Magazines' *Elle* to publisher of Conde Nast Publications' *Vogue*, the fashion category leader. Hachette, in turn, hired *New York Magazine* Associate Publisher Lawrence Burstein as *Elle's* new publisher.

The changes at *Harper's Bazaar* also come amid growing speculation the magazine's longtime editor, Anthony Mazzola, will retire or be replaced in the near future. Mr. Mazzola joined Hearst in 1948 and has been editor in chief of *Harper's Bazaar* since 1972.

Hearst Magazines President D. Claeys Bahrenburg declined to comment on rumors about Mr. Mazzola.

"I'm very pleased with the work Tony's doing," he said.

The fashion magazine field has been hurt not only by the recession and general downturn in ad pages but by the deeper troubles of the fashion and retail industries and increased competition from upstarts like Murdoch Magazines' *Mirabella*.

In first quarter 1991, ad pages fell 8% at *Vogue*, 11.1% at *Elle* and 20.4% at *Harper's Bazaar*, compared with the same period last year.

"Obviously, these are very competitive times for the advertising dollar, and I suspect with all this changing of the guard, the magazines are trying to go after specific markets and bring in people who are going to specialize," said Tom Fallon, promotion director at Bill Blass Ltd.

"It means renewed competition," said Roberta Garfinkle, VP-director of print media at McCann-Erickson Worldwide, New York. "These magazines have not been in good shape in the last year or so."

The competition should heat up in the coming months as the new publishers establish industry contacts and settle into their roles, Ms. Garfinkle said.

"It's very obvious to everybody that *Harper's* needs to reach out for a bigger share of the market," said Bill Blass' Mr. Fallon. "The size of it speaks for itself. It's certainly the thinnest of the magazines."

"I think *Bazaar* is holding up pretty well in terms of its share," said Hearst's Mr. Bahrenburg. "I think there is a lot of change going on in the marketplace, and everyone's looking to be in step with that."

Harper's Bazaar has faced an uphill climb since the 1985 launch of *Elle*, which waged a vigorous campaign to dethrone *Vogue* as the nation's dominant fashion magazine.

Elle's U.S. edition posted double-digit ad page and circulation gains in its first few years and was one of the fastest-growing consumer magazines ever until its growth rate cooled off in 1989.

Conde Nast responded to *Elle's* assault in 1988 by naming Anna Wintour to replace Grace Mirabella as editor of *Vogue*. She's credited with transforming *Vogue*, which some viewed as stodgy, into a younger, trendier magazine. The addition of Ms. Fuchs was yet another measure designed to solidify *Vogue's* leadership position.

Vogue remains the largest fashion magazine in terms of paid circulation, though it declined 2.6% to 1,215,767 for the six months ended Dec. 31, compared with year-earlier figures, according to Audit Bureau of Circulations figures.

Elle's circulation rose 1.2% during the same period to 836,556, but newsstand sales dropped a sharp 25.9%. Circulation at *Harper's Bazaar* increased 1.8% to 749,006 in 1990's second half. □

The top three fashion magazines

Magazine (parent co.)	1st qtr. ad pages	% chg	Circulation	% chg
Vogue (Conde Nast)	653.64	(8.0)	1,215,767	(2.6)
Elle (Hachette)	394.87	(11.1)	836,556	1.2
Harper's Bazaar (Hearst)	278.66	(20.4)	749,006	1.8

Sources: Publishers Information Bureau
Audit Bureau of Circulations FAS-FAX for the six months ended Dec. 31, 1990

Liability

(Continued from Page 3)

dent Jim Joyella. "In an economic environment like this, nobody wants to be left holding the bag and sequential liability greatly enhances the possibilities for confusion and ambiguity as to who has liability at any given point in time."

In response to the agency liability change, member stations had suggested several "knee-jerk responses," including "billing the clients directly and not commissioning the agencies," he said.

The issue of written contract liability isn't as clear for broadcast advertising buys, where transactions are often made without an exchange of paperwork, as it is for print media.

In broadcast buys, it's been the "implicit understanding" between agencies and stations that the conditions of the standard contract apply, calling for sole agency responsibility, Mr. Joyella said.

Those deals may have been "conducted by a handshake or on scraps of paper," he said.

Consequently, he said, it isn't enough for stations to change their liability policies in their contracts, but they must take extra steps to communicate those changes to agencies.

"Because our industry operates without signed contracts, it will be important to notify advertisers, agencies and buying services that your contracts contain this clause," Tim McAuliff, president of TV rep Blair Television, said in a recent memo advising his station clients of the policy change.

"In the event of resistance to the above by an advertiser, agency or buying service, there is an alternative, albeit less ironclad and more cumbersome," Mr. McAuliff recommended to his clients.

This "second-tier approach," would follow the Four A's clause but would allow stations not paid within a specified number of days to notify the advertiser of nonpayment after advising the agency.

"It appears that dual liability is the de facto position of the overwhelming majority of consumer magazines."

That notification would have to include "legally defensible language" that makes it unequivocally clear that the station would then hold the advertiser liable, Mr. McAuliff said.

On the print media side, the Magazine Publishers of America has surveyed 40 of its members, including the 17 largest, to determine their policies on liability, MPA President Donald Kummerfeld said in a recent letter to the Four A's.

Of the 36 members that had official policies, 29 use some form of dual liability while seven espouse sole liability of the agency. Several of those seven companies are in the process of changing to dual liability policies, Mr. Kummerfeld said.

"It appears that dual liability is the de facto position of the overwhelming majority of consumer magazines," he said.

The MPA plans to discuss the issue May 7 at its next board meeting.

However, several magazine publishers have recently accepted insertion orders from agency Wells, Rich, Greene for Continental Airlines' ads containing the sequential liability disclaimer.

In addition to several general business magazines (AA, April 22), Advance Publications' *The New Yorker* has accepted the buys, but only after receiving assurances from Continental that it had accepted liability.

"The requirement we have asked for is that the insertion order include the authorized signature of an officer of Continental" accepting client liability, said Lynn Guthrie Heiler, associate publisher of *The New Yorker*.

Ms. Heiler said she believes Conde Nast Publications, a unit of Advance, is "asking for the same thing."

However, Conde Nast executives said the company hasn't received any contracts with sequential liability clauses and hasn't developed a policy for handling them. □

FOR THE RECORD

QUAKER OATS CO., Chicago, named **Berry-Brown**, Dallas, to succeed J. Walter Thompson USA, Chicago, on its estimated $4 million to $5 million rice cake and granola bar account. JWT's only remaining Quaker business is in pet foods, primarily the $10 million Kibbles'n Bits'n Bits'n Bits dog food account.

BRITISH GAS, London, tapped **BMP DDB Needham** for its consolidated $34.3 million heating, ovens and service products account. Previously, the agency had split the business with Young & Rubicam and Ogilvy & Mather. Y&R had had the greatest share, about $20 million in spending.

LEXMARK INTERNATIONAL, Greenwich, Conn., an IBM Corp. spinoff, named IBM agency **Lintas:New York** to handle its workstation printers and Lintas' **Fahlgren Martin**, Parkersburg, W. Va., for its printer and typewriter supplies business. Combined spending is estimated at $20 million.

POLITICAL CANDIDATES would have to put their names and faces on ads targeting opponents under a bill introduced in the North Carolina House of Representatives. The sponsor is Rep. Walter Jones Jr. (D., Pitt County).

"USA TODAY" and United Airlines will team up to promote Major League Baseball's All-Star Game for the next three years. The "*USA Today*/United Ticket to the All-Stars" promotion will include a radio campaign, point-of-purchase materials and ads in *USA Today*, *USA Today Baseball Weekly* and United's *Vis-A-Vis* in-flight magazine. *USA Today* handles advertising in-house; Leo Burnett USA, Chicago, is United's agency.

ROBERT MAXWELL'S Maxwell Specialist Magazine on May 16 launches *Rock Power*, a pan-European rock music magazine in local language editions. The title will be available in seven Western European nations as well as in Hungary and the Soviet Union. Ads via the Leisure Process, London, support. Separately, Maxwell Communication Corp. warned investors that pretax profits for the year ended March 31 will be lower than the $292 million reported a year earlier.

MATTEL AND LUCASARTS Entertainment formed a worldwide partnership to create toys to be marketed by Mattel under the LucasToys trademark. The toys, which at least initially won't be related to any movies from filmmaker George Lucas, will be introduced at the American International Toy Fair next February. Mattel hasn't yet assigned the account.

GLAMOUR, CONDE NAST TRAVELER, *Interview* and *The New Republic* won general excellence awards in their circulation classes at the American Society of Magazine Editors' 1991 National Magazine Awards ceremony.

WASHINGTON TIMES CORP. is redesigning and repositioning *Insight*, its troubled newsweekly. *Insight* will unveil a new logo and look with its May 6 issue and will shift its editorial focus to investigative journalism and political commentary pieces from coverage and analysis of news events.

CONAGRA, Omaha, Neb., agreed to acquire Golden Valley Microwave Foods, Edina, Minn., in a stock exchange. Golden Valley markets microwave popcorn, french fries and breakfast foods under the Act II name. The companies jointly own Lamb-Weston and have used that venture to develop microwave french fries. Martin/Williams, Minneapolis, handles some projects for Golden Valley, which spent less than $1 million on ads last year.

NEW CAMPAIGNS: Schering-Plough Healthcare Products today breaks a TV spot featuring the Little Miss Coppertone and dog logo. Cadwell Davis Partners, New York, handles. . . . **Pizza Hut** last week ran a page ad in *USA Today* announcing it's delivering a free pizza to everyone in the U.S. with the surname Domino, in a jab at Domino's Pizza. A network TV spot supports, via BBDO Worldwide, New York.

ACCOUNT ACTION: Admiral Cruises, Miami, invited eight Southern shops to pitch its $6 million account, resigned by Ryder & Schild after the agency won the $8 million-plus Costa Cruise Lines account. . . . **Household Credit Services**, Salinas, Calif., to **Della Femina, McNamee**, Los Angeles, for its $10 million credit card launch in five Midwestern states this fall.

WORTH NOTING: Kentucky Fried Chicken Corp. last week began testing a full breakfast menu in 30 Singapore restaurants. The menu features chicken sausage, omelets, a scrambled egg sandwich and country cut toast. TV, newspaper and in-store materials support. . . . The first Czechoslovakian issue of **Playboy** hit newsstands April 26. The pressrun of the 126-page first issue was 65,000. Fourteen ad pages were sold. . . . **Fogarty & Klein/Winius-Brandon**, Houston, will be the new name for Fogarty & Klein and Winius-Brandon, which are merging into a $97 million shop as of July 1. . . . **Ketchum Advertising**, Chicago, is the new name of Ketchum/Mandabach & Simms. . . . **Campbell-Mithun-Esty**, New York, has moved to new offices in the Chrysler Building, 405 Lexington Ave., 10174. Phone: (212) 856-4500.

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Top kid TV offender: Premiums

By Steven W. Colford

Fast-food marketers and 900-number services most often violate the voluntary guidelines of the National Advertising Division's Children's Advertising Review Unit, a study found.

Still, fewer than 385 of the 10,329 commercials in the study violated the guidelines. The study, commissioned by CARU, was one of the most intensive examinations of children's TV advertising.

Among fast-food advertisers, who accounted for 5.6% of the spots monitored, Burger King Corp. accounted for 83 of the 109 violations. Most of the offending commercials touted premiums.

The study, conducted in February and March 1990, examined a composite week of children's programming on three affiliates of the Big 3 networks, two independent broadcasters and two cable channels, USA Network and Nickelodeon. The study looked at 604 hours of programming. Previous studies drew from only about 60 to 80 hours of programming per week.

The single most prevalent violation was devoting virtually an entire commercial message to information about a premium. Such an action is against a CARU guideline that spots must emphasize products.

The study counted 73 CARU guideline violations by 900-number advertisers, though it noted that some telephone-service spots were included in other groupings where the advertiser combined the phone service with a product commercial.

Among strictly phone service spots, commercials to call an Easter Bunny were guilty of 20 guideline violations, the study found, while game information for Nintendo of America was named in 14 violations and Mattel's He-Man in 13.

Lewis Galoob Toys had 34 violations, the most of any toy marketer. The company recently agreed to discontinue certain claims for its Micro Machine toys under pressure from the Federal Trade Commission, which cited the company for false and deceptive advertising.

The study also found advertiser compliance with the guidelines was greatest on network stations, where only 2% of the monitored spots were in violation, compared with 3.7% on independent stations and 5% on cable.

USA Network had the highest percentage of commercials in violation, 8%.

The study also showed that the number of commercials per hour of programming on broadcast and cable is already well below the recent limits established by Congress.

Cable showed the least amount of advertising per hour in children's programming, 6 minutes, 48 seconds. The independents registered 9 minutes, 37 seconds, while network affiliates had 10 minutes, 5 seconds.

New rules that take effect Oct. 1 limit commercials in children's programming to 10½ minutes per hour during weekdays and 12 minutes an hour on weekends.

Peggy Charren, president of Action for Children's Television, said the study should have been conducted during the pre-Christmas months to show the true measure of the amount of commercials during children's programming. She also questioned the study's reliance on the average number of commercials instead of the actual number.

"Using the average is like saying that everyone drives an average of 35 mph, when they actually drive 10 mph sometimes and 55 other times," she said.

The study analyzed 16,024 non-program messages, including commercials, public service announcements, educational messages and program promotions.

If all the non-program messages are counted, then independent TV stations—frequent targets for advocates of tighter control over advertising directed to children—averaged the least amount of programming per hour, 46 minutes, 34 seconds, compared with 47 minutes, 51 seconds for network affiliates and 49 minutes, 22 seconds for cable.

The results showed "our guidelines are being met quite successfully," said CARU VP Arthur Pober.

"I think it's quite good that 95% or 96% of ads were in compliance, though that doesn't mean that we should relax," he said.

Mr. Pober noted the increase in "kids' clubs" from marketers as diverse as Toys "R" Us to Burger King, and said that surge might lead CARU to reassess its guidelines in that area.

"They run the gamut from being sound and responsible to having no focus and not delineating to the kids what they should expect," he said. "Our guides say that these clubs should let kids be aware of what, if anything, they are getting by being a member or whether it's just another way of selling kids another premium.

"Sometimes these programs just generate lists of names. . . . that then are promulgated all over the place. And with today's technology, that has considerably larger ramifications."

Independent and cable channels presented a slightly higher proportion of ads featuring contests than did network affiliates.

The study also found independent stations were far more likely than network affiliates or cable to feature programming that lacked separations between programs and commercials. Separators, required by the Federal Communications Commission, are intended to help children differentiate between programs and ads. □

Ads in violation of NAD guidelines

Out of 10,329 commercials viewed, fewer than 385 were in violation of the voluntary guidelines. Fast-food and 900-number services produced the largest number of violations.

Product/advertiser	No. of violations
Fast-food ads	
Burger King	83
McDonald's	13
Wendy's	6
Arctic Circle	5
Chuck E. Cheese	2
Toy ads	
Micro Machines (Lewis Galoob Toys)	34
Hobnobbins Doll (Playskool)	7
Hot Wheels (Mattel)	5
Record Breakers Cars (Hasbro)	5
Cabbage Patch Kids (Hasbro)	4
Looney Toons Toys	4
Nintendo (Nintendo of America)	4
Hyper Driver Cars (Tonka Products)	2
Telephone service ads	
Easter Bunny	20
Nintendo Game Information	14
He-Man	13
Action Arcade	2
Laff Line	2
Talking Pumpkin	2
Snack/drinks ads	
Handi-Snacks (Kraft General Foods)	26
Kool-Aid Wacky Warehouse Mystery Set (Kraft General Foods)	7
Nabisco Cookies/Nintendo Premium (Nabisco Brands/Nintendo of America)	2

Source: National Advertising Division's Children's Advertising Review Unit

Another Travel Horror Story

With only 21.7% household penetration in affluent Orange County, Los Angeles newspapers are ineffective. The dominant newspaper? The Orange County Register, with 39.8% daily and 45.9% Sunday penetration. Source: ABC Publisher's Statement 9/30/90

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FDA embraces tougher stance

(Continued from Page 1)

there's plenty more to come."

"It would be prudent for the rest of the food industry to pay close attention to what's gone on here," said Jeff Nesbit, the FDA's associate commissioner for public affairs.

"The agency expects any and every company to make sure that its labeling is consistent with FDA policy, which has been in place for several decades. And if they don't, and if the FDA finds out about it, then those companies can expect similar action."

"David Kessler has said the FDA will be looking at court actions to a greater extent than in the past to establish its bona fides" and to make the point that "the new commissioner . . . means business," said Ed Dunkelberger, general counsel for the National Food Processors Association.

"One thing this act will do is get the food companies' attention and have them factor into their marketing equations the likelihood that FDA enforcement action is a real possibility if they violate regulation," he said.

"Such a strong penalty signals a new direction and difference from his immediate predecessors at the FDA," said Wally Snyder, exec VP of the American Advertising Federation. "Dr. Kessler certainly intends to send a message of aggressive regulation. . . . whether for food labeling or drug advertising."

That refers to Dr. Kessler's hard-line statements recently before a congressional committee hearing concerning direct-to-consumer advertising of prescription drugs.

"This act will . . . get the food companies' attention and have them factor into their marketing equations the likelihood that FDA enforcement action is a real possibility if they violate regulation."

In a March appearance before the Senate Labor & Human Resources Committee, Dr. Kessler stressed the importance he attaches to making sure prescription drug advertisers stay within federal boundaries.

"Most firms in the industry want to adhere to our regulations, but they are waiting for us to take appropriate actions," he said. "There is not a level playing field out there. It is clear to me that some in the prescription drug industry have gone over the line."

Dr. Kessler's bold move last week is seen in the broadest of terms by Wayne Pines, a former FDA associate commissioner who's now a prominent player in the field of drug advertising as exec VP at Burson-Marsteller.

"The agency has been perceived as weak in enforcement for the past decade, and Kessler feels that the agency, if it wants to enhance its credibility, needs more enforcement," Mr. Pines said. "The decision by the agency to seize product has less to do with the specifics of the ['fresh'] case than with how the agency intends to operate, and that when negotiations fail, it will take action."

"The enforcement world at the FDA is changing, and that means the FDA's patience will wear thinner than in the past," said Nancy Buc, partner at the Washington law firm of Weil, Gotshal & Manges and a former FDA chief counsel. This action "fits exactly into what Kessler has been saying about there being some point at which the agency will stop talking."

Ragu Foods and Citrus World are two marketers pondering the FDA action.

Both Ragu and Citrus World have been involved in discussions with the FDA over their using the term "fresh" in product names. Ragu has been trading letters with the federal agency since mid-1989 over its Ragu Fresh Italian Brand pasta sauce while Citrus World, which markets Fresh 'N Natural, has been cited by the FDA as being in violation of its regulations.

Citrus World recently changed its packaging to include the word "brand" in its Fresh 'N Natural logo and printed the word "pasteurized" in a bigger typeface on its label.

After the seizure, but before the P&G capitulation, both companies said they were sticking by their labeling.

The FDA's possible next targets for enforcement may be food marketers using descriptive terms such as "light," "90% fat-free" and other nutrition/health claims, said Bruce Silverglade, director-legal projects at the Center for Science in the Public Interest and a longtime advocate of increased FDA labeling scrutiny.

"Many food companies were upset with P&G's claims—Tropicana, for one—so this shows that the FDA responds to concerns of the consumers and of industry," he said.

"Most food companies know the [nutrition labeling] rules that will be coming out by 1993," he said, "and hopefully, this seizure will make food companies think twice. . . . about claims they know to be false and misleading."

The FDA's action was applauded by Robert Abrams, the New York attorney general who's spearheaded several state enforcement actions against food marketers.

"The federal giant has awakened from a long sleep to join the battle against the enormous problem of deceptive and misleading packaging," he said last week. "We at the state level who've had to be on the front lines of this fight with limited resources would welcome the help of a newly aggressive FDA, and so would the nation's consumers." □

Judann Dagnoli in New York contributed to this story.

P&G

(Continued from Page 1)

misleading since it represents and suggests that the articles are fresh when, in fact, they are not fresh but have been produced from concentrate."

The FDA's decision to seize Citrus Hill Fresh Choice prompted P&G to seek a settlement.

"We believe our product is properly labeled, but the controversy surrounding this issue, including the FDA's unusual seizure action, has simply made it impossible from a business standpoint to continue to use the term 'fresh' on our brand," said company spokeswoman Wendy Jacques.

Earlier in the week, P&G had told the FDA it would drop the word "fresh" from its label but the company wanted assurances other marketers would also have to comply. P&G said more than 500 grocery products use the term "fresh" on their labels.

The FDA apparently wouldn't give formal assurances about future enforcement against other marketers, so talks broke down—resulting in the seizure action.

People close to those talks, however, believe the FDA won't stop with P&G. Also on the "fresh" hot seat are Citrus World for its Fresh 'N Natural orange juice and Chesebrough-Pond's for Ragu Foods' Ragu Fresh Italian Brand pasta sauce. The two marketers are already in discussions with the FDA over "fresh" labels.

Neither of those companies could be reached for comment on the P&G/FDA settlement late Friday.

"We had expected that how the term 'fresh' could be used would be clarified through the rulemaking process that would apply to everyone. But the FDA chose to bring action against P&G instead of dealing with the issue through rulemaking," Ms. Jacques said.

In the settlement, however, P&G addressed all of the FDA's labeling concerns, she said.

Now, P&G will focus on how to market Citrus Hill under its shortened—and original—name. New packaging will start to appear on store shelves in late May.

N W Ayer, New York, Citrus Hill's ad agency, is working now to create new advertising that will reflect packaging changes.

The challenge will be to formulate a new positioning for Citrus Hill, which had hoped to gain share through its "fresh" relaunch. P&G last year restaged what was by then Citrus Hill Select by calling the reformulated product Citrus Hill Fresh Choice.

That move was viewed as a way to compete against premium not-from-concentrate orange juices marketed by Coca-Cola Foods (Minute Maid) and Seagram Co.'s Tropicana Products, the top two rivals in the $3.1 billion orange juice category.

Almost immediately, questions came up over the use of the term "fresh" for a juice from concentrate—questions raised by regulators, consumer groups and competitors.

Despite the relaunch and accompanying ad campaign, Citrus Hill Fresh Choice is a distant No. 3 and has continued to lose market share. It dropped to an 8% share for the 52-week period ending March 23 from a 9.8% share for the 52-week period ending May 19, before last year's repositioning.

"P&G's real problem here is that they haven't been able to convince consumers that Citrus Hill is on the same level as Minute Maid and Tropicana," said Tom Pirko, president of Bevmark, a management consultancy. "The attitude in Cincinnati [P&G's headquarters] is that you have to differentiate products to make them unique. That works well if a product can be engineered, but it doesn't necessarily work with orange juice."

Analysts question how much longer P&G Chairman-CEO Edwin L. Artzt will hold onto Citrus Hill, which had sales of about $280 million last year and is said to be breaking even at best.

"What's so amazing about Citrus Hill is that it is everything that P&G isn't," said Andrew Shore, analyst at Prudential Securities. "That's why this FDA situation is good news. It's narrowed Ed Artzt's time frame. He'll be less patient. . . .

"One of the biggest strategic issues is the cost of revamping Citrus Hill, how long to stay with it to determine success and how to measure success. P&G is in a new-product cycle, and the last thing it wants to do is divert time and resources to a brand that's not No. 1 or No. 2."

Still, P&G appears committed to the Citrus Hill brand. The company is testing in San Diego Citrus Hill 10, a vitamin-enriched juice drink aimed at children, and also is selling cut-up fruit under the Citrus Hill brand in East Coast markets and Citrus Hill Fresh Fruit through direct mail. □

Judann Dagnoli contributed to this story.

K-III

(Continued from Page 1)

Mr. Murdoch had been trying to sell along with the other magazines, was excluded from the K-III sale.

"It was not the right magazine for us, and Murdoch was willing to keep it," Mr. Reilly said.

A News Corp. spokesman said Mr. Murdoch plans to continue to operate the upstart women's fashion magazine, which isn't profitable. Industry sources speculate Mr. Murdoch might eventually sell or fold *Mirabella* rather than continue to absorb its losses.

The magazines in the agreement are: *Automobile, European Travel & Life, New Woman, New York Magazine, Premiere, Seventeen, Soap Opera Digest* and *Soap Opera Weekly*.

Mr. Reilly said the *Daily Racing Form*, believed to have made about $25 million last year, and *Soap Opera Digest*, believed to have made $15 million, are the gems of the group "financially," while *Seventeen* and *New York Magazine* are the strongest "franchise properties."

The $650 million purchase price is about 10 times cash flow, described by industry observers as "a good deal for both sides" considering the current weak market in the magazine industry.

"It gives K-III a chance to get into the consumer end lock, stock and barrel. You pay a little premium to do that," said one magazine executive.

"We did around 10 times earnings which, for franchise properties, I think is cheap," Mr. Reilly said. "If this were 1988, we would've paid 50% more than we did."

"What this shows is that quality properties will still sell at premium multiples," said Drew Marcus, VP at investment banker Henry Ansbacher Inc. "The lack of quality properties on the market recently exaggerated the low multiples."

Mr. Reilly, who will likely serve as ceo of the publishing group, said he plans to preserve most of the current management ranks at the corporate level and at individual titles.

However, he said he will replace Murdoch Magazines President Les Hinton, a longtime News Corp. employee who's expected to remain with that organization in some capacity.

Mr. Reilly said he expects to name a new president in the coming weeks. There are several candidates in mind, he said, adding that the person chosen will be someone "from the magazine industry and with excellent managerial skills."

K-III will vastly expand the magazine group's corporate ad sales efforts, Mr. Reilly said.

"Bill Reilly and [K-III President] Charles McCurdy are good, sound operating guys," said one media consultant.

Messrs. Reilly and McCurdy are former Macmillan executives who formed K-III in January 1989 as a partnership with Kohlberg Kravis Roberts. The company completed nine acquisitions in its first two years, primarily trade magazine publishers, such as Intertec Publishing Corp., and book club operations.

Last March, K-III acquired encyclopedia publisher Funk & Wagnalls and the Weekly Reader Corp. from Field Publications.

K-III's challenge is to "run [the titles] as a company, which means higher revenues and lower costs," the consultant said. "It's not a publishing company now, it's a collection of magazines."

K-III might, for example, consolidate the magazines' printing operations with World Color Press, the nation's largest printer of consumer magazines, also controlled by Kohlberg. Two of the titles, *Premiere* and *New Woman*, are printed there. □

Top magazine companies

Publishing company magazine advertising revenues.

Time Warner	$1.5 billion
Hearst Magazines	$631 million
Conde Nast Publications	$549 million
New York Times Co.	$448 million
Parade Publications	$355 million
News Corp.	$338 million
Meredith Corp.	$319 million
Hachette	$288 million
Newsweek Inc.*	$253 million
McGraw-Hill Pub.	$246 million
Times Mirror Magazines	$228 million
Forbes Inc.	$175 million
U.S. News/The Atlantic	$171 million
Reader's Digest Association	$141 million
K-III**	$137 million

*News Corp.'s figure includes only *TV Guide* and *Mirabella*.
**K-III's figure includes the Murdoch publications bought by K-III except for the *Daily Racing Form*, which is not a consumer magazine. Source: Publishers Information Bureau

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Advertising Age

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Coen: Little ad growth

Industry forecaster sees recovery at yearend

By Robert J. Coen

U.S. advertising expenditures are expected to rise between 3% and 4% in 1991, down from the previous forecast of 4.6%.

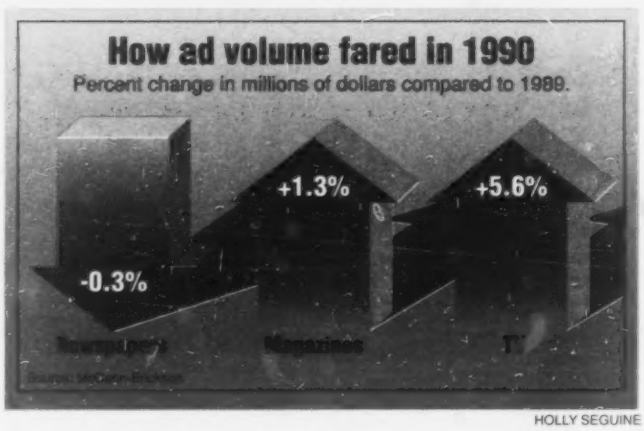
The revision is a result of reduced ad growth showing up in the final figures for 1990 and the continued economic slump.

Expenditures should exceed $132 billion this year but aren't likely to reach the $136 billion forecast last December.

The final ad expenditures for 1990 showed 3.8% growth instead of the 4.9% gain estimated earlier. When final fourth-quarter results from all media were released, it was apparent ad budgets were sharply trimmed in the closing months of the year as a result of the Mideast situation and the beginning of the recession.

Budgets grew less than the 4.1% overall rate of inflation.

As for 1991, extremely gloomy reports from most local media during the opening months indicate local ad growth for the full year will probably be just barely up from 1990. The outlook for national ad budget growth is better.



HOLLY SEGUINE

The slowdown and disruptions of the early months will delay the previously expected stronger recovery. Ad spending levels in many media may lag behind year-ago levels until past the middle of 1991.

The bottom will eventually be reached; by Christmas, things should be getting much better. By the closing quarter, we expect national advertising activity to be well above 1990 levels.

The McCann-Erickson General Index of national advertis-

(Continued on Page 16)

Traps set for Olympic ambush ads

By Joe Mandese

The International Olympic Committee plans to ambush the ambushers.

Using an arsenal of tricks including "public embarrassment" and the confiscation of Olympics tickets, the IOC hopes to dissuade so-called ambush marketers from running unauthorized advertising and promotions that falsely convey authorized support of the Games.

To discourage such promotions, the committee said it will hold news conferences and run ads alerting consumers of the attempted tie-ins.

The IOC is taking these steps because the tactic is threatening to undermine support from official Olympic sponsors who pay considerable fees for the association.

For 1992, 12 companies have paid fees totaling more than $200 million to be exclusive worldwide category sponsors of the Winter and Summer Games.

"It's very important that the IOC protects these interests, because the Olympics are not government funded," said Michael Payne, IOC director of marketing. "If companies feel they can build Olympics programs without supporting the Games, then why would any sponsor agree to spend millions of dollars to support the Olympics?"

Anti-ambush techniques were used successfully by the Australian Olympic Team in 1988. It ridiculed McDonald's Corp. for an unauthorized promotion in Australia tied to the Seoul Summer Olympics. McDonald's Australian sales reportedly plummeted, and the chain subsequently signed a sponsorship deal with the Australian team.

The IOC hopes to avoid such

(Continued on Page 54)

LAST MINUTE NEWS

Pepsi to 'Chill Out' this summer

SOMERS, N.Y.—Pepsi-Cola Co. this week will unveil a "Summer Chill Out" promotional program, sources said. The plan includes a car giveaway, special packaging and a credit-style card for teens. The promotion kicks off May 12 with a network TV campaign via BBDO Worldwide, New York. Pepsi-Cola last week broke teaser spots for the promotion. The program involves a national rollout of Pepsi-Cola's "License to Chill" program tested last year in Texas, said sources close to the company. A "License to Chill" card allowed young Pepsi drinkers to win prizes such as airline tickets and discounts at local retailers. The company wouldn't comment on its summer marketing plans. Separately, the company this month will break a TV spot for Diet Pepsi star-

(Continued on Page 8)

'Creativity':

Some readers get "Creativity," which starts after Page 30. If you don't, call 1-800-678-9595 and ask for *Ad Age* Circulation.

INSIDE

'Special Report': Building brands in aisle hits crisis stage. **Page 33**

Slow go: Agencies drag their feet on liability. **Page 4**

Clorox's identity crisis

Company stumbles as it tries to diversify product lines

By Bradley Johnson

Clorox Co., laboring for two decades to be more than a bleach marketer, is facing a midlife crisis.

Sales of its namesake product, chlorine bleach, are flat. Clorox 2, its second-biggest profit contributor, may be made obsolete by powder detergents with bleach, an area where Clorox is bombing.

Also, Clorox's latest attempts at new products—bar soap, frozen dinners and a $169 barbecue grill—are likely to go nowhere, analysts say.

"The company is going through an identity crisis," said Andrew Shore, an analyst with Prudential Securities. "It's juggling too many things at the same time, hoping the success of one will point it in the right direction."

Clorox is fully capable of emerging from this crisis, industry analysts say. Their advice: Cut the losses in detergent, abandon a few of the

(Continued on Page 54)

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NEWS SUMMARY

■ **International Olympic Committee** plans steps to discourage ambush marketers from tying into the 1992 Games without official authorization. 1

■ **U.S. ad expenditures** will be up only 3% to 4% in 1991, predicts Robert Coen of McCann-Erickson. 1

■ **Brandon Tartikoff's** move from NBC to Paramount is seen as another sign of declining network influence. 3

■ **A pay-per-view** venture allowing homes access to films on demand will start testing in Denver next fall. 3

■ **Consumers are uneasy** about data bases used in marketing, a Gallup survey shows. 3

■ **Ad agencies** are going slow in adopting "sequential liability" clauses in ad contracts. 4

■ **Ragu,** under pressure from the FDA, will relabel Fresh Italian Brand pasta sauce, calling it Ragu Fino Italian. 4

■ **Estee Lauder** will spend heavily to introduce Spellbound fragrance starting this summer. 4

■ **Qantas** named D'Arcy Masius Benton & Bowles to handle its international ad account. 4

■ **Kenneth Rogers** was promoted to president-chief operating officer of Backer Spielvogel Bates. 6

■ **Mitsubishi** plans several new vehicle introductions in a move to become a major player in the U.S. market. 6

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■ **A.C. Nielsen Co.** is developing international data bases, looking to the end of trade barriers in Europe. 14

■ **7-Eleven** convenience store chain has begun a new ad campaign promoting its fast-food products. 16

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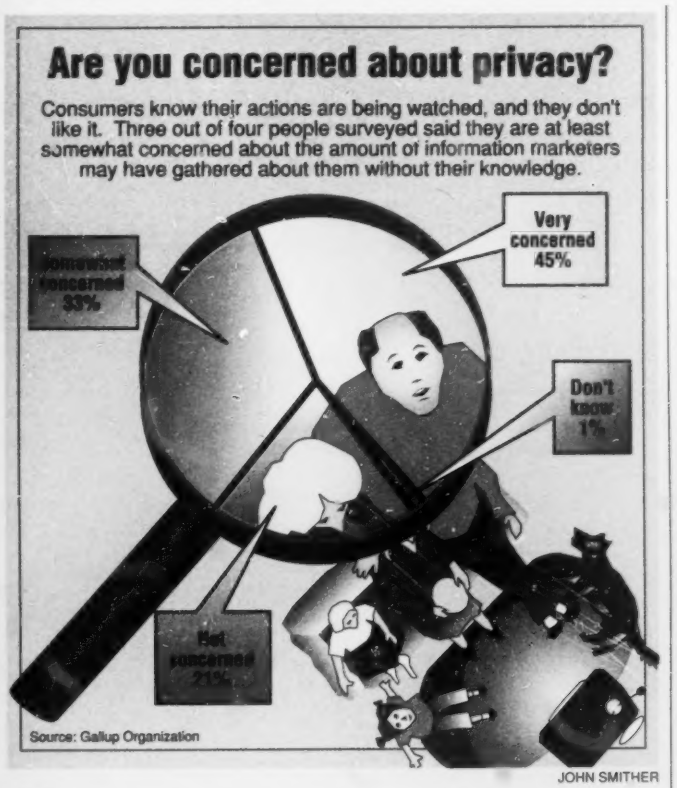

Are you concerned about privacy?
Consumers know their actions are being watched, and they don't like it. Three out of four people surveyed said they are at least somewhat concerned about the amount of information marketers may have gathered about them without their knowledge.
Very concerned 45%
Somewhat concerned 33%
Don't know 1%
Not concerned 21%
Source: Gallup Organization

JOHN SMITHER

Consumers target ire at data bases

By Scott Hume

The stampede to develop targeted marketing programs using data bases may be running into a wall of consumer resistance.

In a new Gallup Organization survey of attitudes about the amount and kinds of information marketers may be gathering, conducted for *Advertising Age*, consumers said they would shun companies that sell information about their buying habits.

Many consumers are uneasy about being known too well as the gathering, selling and buying of information about brand preferences and buying habits accelerates. Advertisers are looking to move away from mass marketing to target only potential product users.

GALLUP SURVEY

The Gallup study asked 1,005 adults whether they're concerned about how much information may have been gathered about them without their knowledge. Nearly half (45%) the respondents described themselves as "very concerned" about what marketers may know about them; 33% said they're "somewhat concerned."

Only 21% said they're unconcerned.

Respondents ages 55 or older, and those in the lowest income bracket (less than $20,000 annually), showed the highest levels of anxiety about information gathering.

"Direct marketers need to explain better what they're doing. If they don't, consumers can be turned off," said Ted Spiegel, who retired in 1987 as senior VP-marketing and advertising for catalog retailer Spiegel.

"If they can explain it correctly, so that consumers see how they are benefited, then direct marketing can avoid the backlash," said Mr. Spiegel, who's now president of Spiegel Marketing Associates and an associate professor in the direct marketing program at Northwestern University's Medill School of Journalism.

Some companies have already felt the backlash, however. Lotus Development Corp. in February dropped plans to develop MarketPlace:Households after it got 30,000 complaints about the proposed data-base software with addresses and demographic information on 80 million U.S. households.

Blockbuster Entertainment Corp. also heard from angry consumers in January, when one of its executives was quoted in *The Wall Street Journal* as saying the 1,500-store video chain might sell information about consumers' video rentals to direct marketers.

The company quickly disowned the statement and said it had no plans to sell the information it has. And results of this Gallup survey suggest the video chain was right not to embrace the idea.

Gallup respondents were asked whether they would still patronize a video rental store if they learned that store or chain was selling information about their rental habits. Three-quarters of the sample (76%) said they would take their business elsewhere; 18% said they would stay with the same rental store. The rest either said they don't rent videos (5%) or had no opinion (1%).

Respondents with the highest incomes and most education were most likely to say they would boycott a video renter that sold information about them. On the earlier question, these groups had shown lower-than-average concern about the amount of information being gathered on them.

"Data-base marketing is in its infancy; it's just starting to address the question of how it will use the information it has," Mr. Spiegel said. "It has a way to go in explaining itself completely and correctly."

The Gallup survey was taken by telephone among a randomly selected, nationally projectable group of adults. It was conducted during March and has a margin of error of plus or minus 3.1%. □

Network malaise

Ad execs ponder rash of high-level defections

By Joe Mandese

Key network TV executives are bolting for greener pastures, either in Hollywood or with advertising agencies, leaving observers wondering whether the nets have lost their stuff.

The biggest move occurred last week when NBC Entertainment Chairman Brandon Tartikoff, largely credited as the architect of NBC's long run in the No. 1 ratings position, announced he was leaving to become chairman of Paramount Pictures.

"Symbolically, it's a very significant thing because Brandon is the last of the living legends of network television programming success," said Gordon Link, worldwide media director for McCann-Erickson USA, New York, and a former ABC network executive.

"Not only was he very talented, but he was the visual representation of NBC to both the creative and advertising community," said Arnie Semsky, exec VP-director of media and programming services at BBDO Worldwide.

Mr. Tartikoff's departure was preceded by defections last month of key CBS sales executives Jerry Dominus and Bob Silberberg to the agency side.

"While each one of these individuals moved for specific reasons, the fact is, they are leaving an industry that is not quite as king of the hill as it used to be. And that's got to be part of the equation," said Mike Moore, worldwide media director at D'Arcy Masius Benton & Bowles.

The fragmentation of the TV business is leading to a dilution of more than just network ratings, said Jerry Solomon, VP-general manager of Anheuser-Busch's Busch Media Group.

B. Tartikoff

"Some of the old guard are starting to move on," he said, "and I don't think they have a wealth of young talent that is coming up to replace them, because it is so spread out among cable, syndication and other entities. And they're paying as much, if not more."

Others believe these moves are a harbinger of more fundamental changes to come. News of Mr. Tartikoff's departure has fueled speculation of network downsizing that began circulating when the Federal Communications Commission modified the network financial interest and syndication rules last month. The rules continue to restrict the networks' ability to own and syndicate programming.

According to the rumors, networks could bypass

(Continued on Page 52)

A new take on PPV

Phone, cable venture offers movie smorgasbord

By Joe Mandese

An unusual cooperative venture between the telephone and cable TV industries could transform the conventional TV set into a multiplex movie theater.

This fall, three major companies join forces to begin testing VCTV, or viewer controlled television, a new pay-per-view technology that can be used on demand.

AT&T Co., US West and the nation's largest cable TV operator, Tele-Communications Inc., will equip about 450 households in TCI's Denver cable system with VCTV. With the push of a button, the system's viewers will have access to thousands of films any time they want.

With the push of a button, the system's viewers will have access to thousands of films any time they want.

Consumers participating in the test will pay no access fees and films ordered through VCTV will be priced "competitively" with rented videos. The test is scheduled to run through mid-1993, but a broad-based rollout of the technology isn't expected until the late '90s.

Agency and TV industry executives believe new technologies such as VCTV could accelerate both the penetration and use of pay-per-view, further fragmenting the TV medium.

To date, pay-per-view has offered relatively little access for advertisers. With few exceptions, pay-per-view programming doesn't accept advertising and

(Continued on Page 50)

Baseball Hall of Famer Jim Palmer will appear in his first commercial for Jockey International wearing just his underwear this August. A Jockey spokesman for 15 years, Mr. Palmer appears with other male and female models talking about the comfort of the Jockey product. Jockey in-house agency Thoroughbred Advertising created the 30-second spot.

HOT STUFF!

Stolichnaya Russian vodka blasts off into the Space Age as Monsieur Henri Wines uses June consumer magazines to launch a $9 million advertising and promotional campaign. Created by Calet, Hirsch & Spector, New York, the ad theme is "Stoli. The Russian phenomenon." M. Henri says the push represents a spending record for the brand and a 20% increase over last year.

7-Eleven ready for ad comeback

New Japanese owners provide cash boost

By Christy Fisher

DALLAS--Southland Corp.'s 7-Eleven convenience store chain, pumped up with a $430 million cash infusion, has begun a "real people" ad campaign that pushes its fast-food products.

The nation's No. 1 convenience store chain emerged from Chapter 11 bankruptcy reorganization in March and is now running two new TV spots in 10 markets nationwide that expand on its "Sign of the times" campaign.

The new spots from J. Walter Thompson USA, Chicago, are sung in a folksy narrative and tell the story of two 7-Eleven franchisees, Rick Fournier of Toledo, Ohio, and Diane Conlan of Ocean Beach, Calif.

Mr. Fournier, an avid baseball fan, helps the chain pitch Big Bite hot dogs. Ms. Conlan, whose store is in a seaside community known as "Dog Beach," pushes Big Gulp soft drinks.

"This [campaign] brings store people into the picture as part of the 7-Eleven difference," said Marva Cathey, Southland's national advertising manager.

This is 7-Eleven's folksy tale of Diane Conlan and her friends at "Dog Beach," Calif.

Southland is expected to be a more aggressive advertiser now that Tokyo-based Ito-Yokado and its Seven-Eleven Japan subsidiary have bought a 70% stake in the company.

After a flat year, Southland is expected to increase ad spending by 7.1% to $75 million in 1991, an October prospectus revealed.

JWT handles Southland's image advertising, while W.B. Doner & Co., Southfield, Mich., does tactical marketing. Camelot Communications, Dallas, handles media buying.

The sale shifts control of the company to the Japanese from the founding Thompson family, but analysts don't expect major strategy changes since most of Southland's senior management remains in place. Clark Matthews II, 54, became president-ceo in March, from chief financial officer, succeeding Jere W. Thompson Jr., who remains on the board.

The cash infusion and debt restructuring should allow the company to proceed with some changes that were on hold because of the cash crunch. Those changes include remodeling and remerchandising of stores as well as expansion of fast-food offerings.

"Southland's focus has been more on cash flow," said Chris Vroom, VP at Alex. Brown & Sons. "Now, they can focus on the competition and driving sales."

Southland is also expected to adopt some of its Japanese counterparts' successes.

Ito-Yokado is the second-largest and most profitable superstore/supermarket chain operator in Japan. Seven-Eleven Japan, 50.3% owned by Ito-Yokado, is Japan's largest convenience store operator with more than 4,200 stores.

The Seven-Eleven Japan stores are equipped with a sophisticated point-of-purchase tracking system that lets managers know how each item is selling and its profitability. Ito-Yokado has been discussing the installation of this system in Southland's U.S. stores.

"One of the problems of the convenience store industry is the lack" of such equipment, said Dennis Telzrow, an analyst with Eppler, Guerin & Turner. "They've [retailers] got to have it. I don't think any major retailer will survive without it."

Southland's 6,500 stores reported sales of $8.4 billion for 1990, up 0.6% from the previous year. There was a net loss of $276.6 million for the year, compared with a $1.3 billion loss in 1989. □

David Kilburn in Tokyo contributed to this story.

Coen

(Continued from Page 1)

ing spending during the first quarter of 1991 was 147, significantly below the year-ago level, and below the average level for all of last year.

The index level is expected to gradually move up and, by the fourth quarter, should be dramtically higher than the 141 index for the fourth quarter of 1990.

Most of the gloom hanging over the advertising industry will be gone by yearend, and optimistic forecasts for 1992 will be abundant.

Economic recovery, some pent-up consumer demand, the political elections and the Olympics should finally fuel a noticeable re-expansion in advertising that could continue for most of the rest of the decade.

As for 1990, it's now evident many retailers virtually canceled their regular holiday-season selling efforts. That came on top of severely depressed local ad spending during the first three quarters, caused by poor regional economies and the heavy debt of many large retailers.

With a rise of just 1.7% compared with 1989, local ad volume did even worse than most people thought possible last year.

Newspapers, the largest local medium, experienced their worst year since 1961. The ad woes brought about by the retail slump were made worse by declines in many classified help-wanted and real estate ads.

Other local media did only slightly better.

The worsening economy and the uncertainties in the Mideast also had a negative impact on national advertising in the closing months of '90. Fourth-quarter commitments to the three major TV networks made in earlier upfront buying softened.

Other national media also experienced reductions in traditional levels of spending, as many marketers cut back on their usual level of holiday promotional efforts and as the lag between the economic slowdown and ad appropriations finally caught up with many budgets.

National advertising rose 5.5% in 1990, slightly outpacing the 5.1% gain for the gross national product.

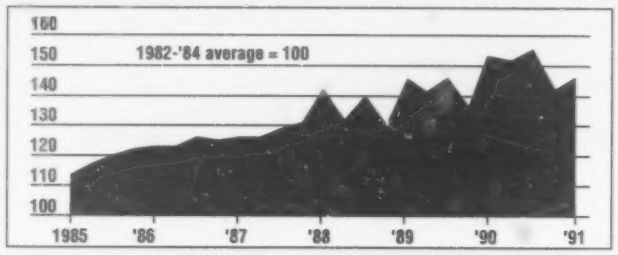
Among the noticeable pullbacks in traditional holiday budgets, ads for toys, perfumes, expensive watches and cameras were far below previous levels.

The interruption of improved trends in national advertising is temporary, however. The only question is when the improving trends will clearly reappear, and the greatest likelihood appears to be in the fourth quarter. □

Mr. Coen is senior VP-director of forecasting, McCann-Erickson Worldwide, New York.

National advertising index

The McCann-Erickson national advertising indexes are key barometers of the month-to-month changes in national advertising spending. These indexes are seasonally adjusted measures of the monthly advertising revenues for the major national media. The general index is a composite of the national TV networks (including cable and syndication), spot TV, magazines and newspaper expenditures by national advertisers.



Month	General index	Network TV	Spot TV	Magazines	Newspapers
1990					
January	155	157	158	155	142
February	155	151	162	160	141
March	153	155	150	160	140
April	152	144	162	162	141
May	151	145	163	155	140
June	149	137	162	157	142
July	157	159	166	152	140
August	157	151	168	165	138
September	155	153	162	162	139
October	144	128	153	152	140
November	140	124	153	155	139
December	140	128	141	162	138
Average	**151**	**144**	**159**	**158**	**140**
Change over 1989	**5.6%**	**6.6%**	**5.9%**	**1.3%**	**4.4%**
1991 (preliminary)					
January	148	156	141	146	138
February	146	139	150	154	137
March	148	148	147	154	137
Average	**147**	**148**	**146**	**151**	**137**
Change over 1990	**(4.5%)**	**(4.2%)**	**(6.8%)**	**(4.4%)**	**(2.8%)**

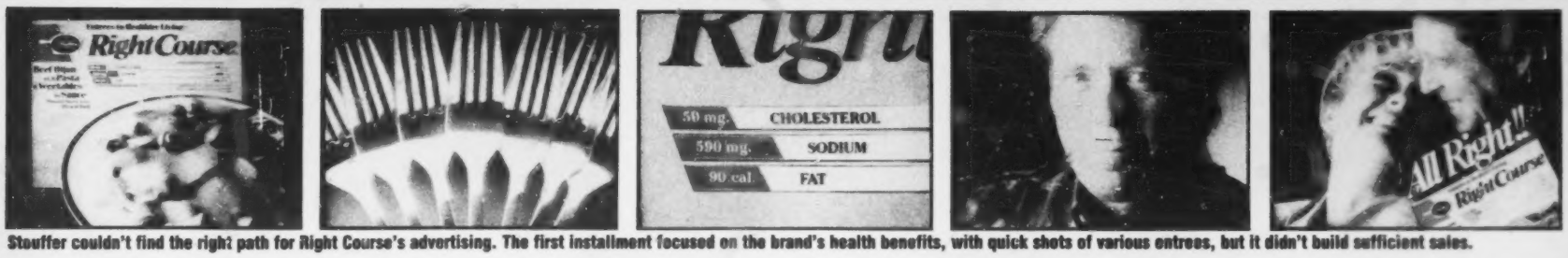
Source: McCann-Erickson

U.S. advertising volume

The McCann-Erickson U.S. advertising volume reports represent all expenditures by U.S. advertisers—national, local, private individuals, etc. The expenditures, by medium, include all commissions as well as the art, mechanical and production expense that are part of the advertisers' budgets for each medium.

	1989		1990		
Medium	Millions of dollars	% of total	Millions of dollars	% of total	% chg
NEWSPAPERS					
National	3,704	3.0	3,867	3.0	4.4
Local	28,664	23.1	28,414	22.1	(0.9)
Total	**32,368**	**26.1**	**32,281**	**25.1**	**(0.3)**
MAGAZINES					
Weeklies	2,813	2.2	2,864	2.2	1.8
Women's	1,710	1.4	1,713	1.3	0.2
Monthlies	2,193	1.8	2,226	1.8	1.5
Total	**6,716**	**5.4**	**6,803**	**5.3**	**1.3**
FARM PUBLICATIONS	212	0.2	215	0.2	2.0
TELEVISION					
Network	9,110	7.4	9,383	7.3	3.0
Cable (nat'l)	1,197	1.0	1,393	1.1	16.4
Syndication	1,288	1.0	1,589	1.2	23.4
Spot (nat'l)	7,354	5.9	7,788	6.1	5.9
Spot (local)	7,612	6.1	7,856	6.1	3.2
Cable (non-network)	330	0.3	396	0.3	20.0
Total	**26,891**	**21.7**	**28,405**	**22.1**	**5.6**
RADIO					
Network	476	0.4	482	0.4	1.3
Spot (nat'l)	1,547	1.3	1,635	1.3	5.7
Spot (local)	6,300	5.1	6,609	5.1	4.9
Total	**8,323**	**6.8**	**8,726**	**6.8**	**4.8**
YELLOW PAGES					
National	1,011	0.8	1,132	0.9	12.0
Local	7,319	5.9	7,794	6.0	6.5
Total	**8,330**	**6.7**	**8,926**	**6.9**	**7.2**
DIRECT MAIL	21,945	17.7	23,370	18.2	6.5
BUSINESS PAPERS	2,763	2.2	2,875	2.2	4.0
OUTDOOR					
National	653	0.5	640	0.5	(2.0)
Local	458	0.4	444	0.3	(3.0)
Total	**1,111**	**0.9**	**1,084**	**0.8**	**(2.4)**
MISCELLANEOUS					
National	10,998	8.9	11,608	9.0	5.5
Local	4,273	3.4	4,347	3.4	1.7
Total	**15,271**	**12.3**	**15,955**	**12.4**	**4.4**
National total	68,990	55.7	72,780	56.6	5.5
Local total	54,940	44.3	55,860	43.4	1.7
GRAND TOTAL	**123,930**	**100.0**	**128,640**	**100.0**	**3.8**

Source: Prepared for *Advertising Age* by Robert J. Coen, McCann-Erickson



Stouffer couldn't find the right path for Right Course's advertising. The first installment focused on the brand's health benefits, with quick shots of various entrees, but it didn't build sufficient sales.

How Stouffer's Right Course veered off course

Everything pointed in favor of brand and still it flopped

By Judann Dagnoli

Stouffer Foods Corp.'s Right Course frozen entree line, introduced in September 1989, seemed to have everything going for it.

Right Course's low-fat, low-cholesterol, low-sodium positioning dovetailed perfectly with the fast-growing wellness movement.

The brand had a respectable $20 million marketing budget, and Stouffer—the creator of 1980s brand powerhouse Lean Cuisine—had a good track record in "healthy" foods.

But 17 months later, despite a reformulation, repackaging and rehaul of Right Course's advertising, the brand held only a 1.1% share of the frozen dinner and entree market. Conceding defeat, the company pulled Right Course from national distribution in February.

Stouffer redesigned the Right Course package, adding green and moving the nutrition label to the back.

What went wrong?

Food industry experts and competitors say Stouffer was trying so hard not to cannibalize its successful Lean Cuisine entree line that it erred in Right Course's positioning.

To make it stand apart from Lean Cuisine, the company priced Right Course too high, shelved it in the wrong section of the freezer case, made the brand's varieties too exotic and its advertising too unfocused, sources say.

"It really was an amazing case of doing just about all the critical things wrong," says a senior executive of a competing food company.

When Right Course was first introduced, there were 11 items in the line, including sesame chicken, beef dijon and fiesta beef with corn pasta. The product was packaged in a beige box with a very prominent "nutritional color bar" measuring each entree's fat, cholesterol and sodium levels.

Stouffer executives also pushed for Right Course shelving in the frozen dinner section, near ConAgra's Healthy Choice, even though the product was marketed in entree form only.

"They backed it pretty hard through their brokers in the dinner section so that it wouldn't cannibalize Lean Cuisine," says another executive at a frozen food company.

Another competitor says the strategy backfired when Stouffer found frozen dinner consumers don't buy entrees.

Ed Marra, senior VP-marketing at Stouffer, disagrees.

"Between dinners and entrees there is a fair amount of overlap," he says. "Perhaps dinners are more male skewed, but in many freezers both entrees and dinners are shelved so they flow together. I wouldn't say [Right Course's shelving] is a critical point."

Right Course's $12 million ad campaign, from Tatham-Laird & Kudner, Chicago, was themed "Entrees for healthier living" and played heavily on the notion of Right Course being a healthy alternative "to dishes you thought you might have to give up."

But in the first half of 1990, the brand managed to achieve only a 2% share of the $2.7 billion frozen dinner and entree market, according to Information Resources Inc.'s InfoScan service data.

Meanwhile, Healthy Choice's share moved to 10% in the second quarter from 8% in the first quarter.

Stouffer then switched gears in spring 1990, repackaging the brand with a dark green background—Healthy Choice's signature color—and a wide swath of coral, Stouffer's familiar shade.

Mr. Marra says the original packaging was a mistake.

"It didn't have adequate shelf impact and didn't communicate the [product's] benefits clearly," he says.

Competitors say the green was clearly adopted to enable Stouffer to ride the coattails of Healthy Choice's success. Mr. Marra denies it: "Green communicates fresh," he says.

In the repackaging, Stouffer also greatly de-emphasized the nutritional bar, which another competitor described as "a hospital menu," moving it to the back side of the package and decreasing its size.

Mr. Marra says the back-side label was more user-friendly, and he defends the nutritional bar because it gave consumers "a sense of where the product fits in with their daily requirements."

Along with the repackaging, Stouffer cut prices and downscaled its fare. Foods such as lasagna replaced beef ragout.

The company also dropped its taste-driven ad campaign to use a celebrity approach. Tatham-Laird & Kudner developed a new campaign with golfer Arnold Palmer in TV and print that promoted fitness and was themed: "Get on the right course for life."

But even this campaign backfired, according to some industry insiders who say consumers already associated the celebrity approach with Healthy Choice. That brand's advertising, created by Campell-Mithun-Esty, Minneapolis, features actress Diahann Carroll and actor Michael Gross.

County NatWest Securities USA analyst Tim Ramey says Stouffer's ad campaign couldn't compete with Healthy Choice's main spokesman, ConAgra Chairman-CEO Mike Harper, who candidly discussed his heart attack in some of the spots.

"He's a great spokesman with great credibility," Mr. Ramey says. "He has a down-home folksiness."

He adds that Stouffer "didn't support Right Course as aggressively" as ConAgra in promotional spending.

Despite Stouffer's efforts, Right Course's market share continued to slip. In the third quarter of 1990, IRI data show, Right Course dropped to a 1% share of the frozen dinner and entree market, remaining at that level in the fourth quarter.

Worse, Stouffer's fears were realized: Lean Cuisine was losing share. The brand went from a 9% share in the first and second quarters to 8% in the third quarter and 7% in the fourth.

Stouffer was forced to pull the Right Course line.

"This brand ended up competing with our Lean Cuisine line," said Stouffer President E. Michael Moone in a statement issued at the time.

In retrospect, Mr. Marra says, "As to whether we did everything wrong, it's pretty hard to answer that. I think instead that we learned. When you attempt to innovate there's a higher risk factor. Where there's no risk, there's no innovation."

He says Right Course had one fundamental problem—its name.

"It didn't communicate well, and the more [stock-keeping units] in the freezer the more you need a good name to explain the concept," he says. □

Healthy Choice steals the show

Market shares for frozen dinners and entrees in 1990 by quarter.

	1st quarter	2nd quarter	3rd quarter	4th quarter
ConAgra's Healthy Choice	8%	10%	10%	11%
Stouffer's red box entrees	9	10	10	10
Stouffer's Lean Cuisine	9	9	8	7
H.J. Heinz's Weight Watchers	11	8	7	6
Stouffer's Right Course	2	2	1	1

Source: Information Resources InfoScan figures as obtained by *Advertising Age*
Advertising Age chart: Kimberly Mart

Learning to 'suffer' with Lean Cuisine

Stouffer Foods Corp. is relying on its Lean Cuisine brand as the engine to drive its healthy-foods sales.

The company has reformulated the 34 entrees to reduce sodium, fat and cholesterol. The brand is now at least 95% fat free, contains 30% or less calories from fat and has less than 600 milligrams of sodium and cholesterol.

After pulling Right Course, Stouffer focused on building Lean Cuisine as a low-fat, low-cholesterol product.

Most prices also have been reduced to about $1.89—similar to Kraft General Foods' Budget Gourmet—from about $2.79, says Ed Marra, Stouffer senior VP-marketing.

"Now, we have nothing over $3, and most of our entrees are under $2," he says.

A new national TV ad campaign, from Tatham-Laird & Kudner, Chicago, is running for the "new" Lean Cuisine. According to LNA/Arbitron Multi-Media Service, Stouffer spent $13.1 million advertising Lean Cuisine last year.

The 30-second spot features a man and woman reclining in a hammock on what appears to be a tropical island. While they lounge, the announcer says, "These people are in a total panic over their daily intake of fat, sodium and cholesterol. Look how they suffer." The theme is "The taste you can love for life."

The new campaign is designed "to show that consumers bombarded with health claims can satisfy those needs easily with Lean Cuisine," Mr. Marra says.

That's a lesson Stouffer learned the hard way.

—*Judann Dagnoli*

Lean Cuisine's repositioning required a new ad effort. This spot from Tatham-Laird & Kudner, Chicago, reflects the brand's health benefits.

Making a name for selves

Store brands proving stiff competition for marketers

By Julie Liesse

When Dominick's Finer Foods, a leading Chicago-area supermarket chain, advertises "The better name brand," it's not referring to Kellogg, Heinz, Stouffer or Kraft.

For Dominick's and other major supermarket chains, the better name brand they refer to more and more often is their own.

Store brands, or private-label products, are not new—supermarkets have offered their own dairy products, canned vegetables and pet foods for years.

But when store brands become the fastest-growing player in a heavily marketed category such as ready-to-eat cereal—as they did last year—the packaged-foods industry takes notice.

Store brands racked up sales of $21.6 billion in 1989, according to Information Resources Inc. Also, store brands are growing dramatically in areas where national brands traditionally dominate.

"Every major retailer in the U.S. now has a major store-brand program—with high-visibility graphics, quality sourcing, new and innovative products," says Brian Sharoff, president of the Private Label Manufacturers Association. The association says store brands at the top 41 U.S. retailers and wholesalers accounted for 18.2% of sales last year, compared with 17.7% in 1989.

In the $7.2 billion cereal category, store brands last year represented 7% of pound volume, double the 3.5% chalked up in '87.

"We recognize private label is a real threat. These brands go after the leaders in a category," says Kellogg Co. Chairman-CEO William LaMothe.

Kellogg has reacted by holding the line on price increases for some of its key brands, including Kellogg's Corn Flakes.

Likewise, sales of private-label cheese created one of Kraft General Foods' few sore spots last year.

"We lost share points to private-label cheese last year," Chairman-CEO Michael Miles told analysts in February. "Through the 1980s, private label was flat to down in most of our categories. But in recent times, we've seen some surges in private label."

Mr. Sharoff offers reasons for store brands' strength.

"First, the demise of TV as a dominant traffic-builder for products has hurt mass-marketed national brands," he says. "Second, coupons have backfired on national manufacturers."

Timothy Ramey, food industry analyst with County NatWest Securities USA, says pricing has been a factor as well.

"In categories that have seen huge price increases, like cereal, national manufacturers have left a big price umbrella. With lower-price, but good quality private-label products, the consumer has a meaningful choice," he says.

Perhaps most important, Mr. Sharoff says, "With consolidation and management changes in the supermarket industry, these retailers now view themselves as marketers."

Dominick's, for example, just this year discontinued its Heritage House line of products in favor of a Dominick's brand that ranges from coffee filters to English muffins and shampoo. With bright graphics and a prominent place in TV and newspaper ads, the "better name brand" is being merchandised on shelves as well as a national brand.

Now the cutting edge for store brands is the "superbrand"—store brands that transcend individual retailers. Toronto's Loblaws chain has created a President's Choice brand that is sold by D'Agostino's in New York City and Bell's in Buffalo, N.Y.

Some store brands also have been able to innovate faster than national marketers. The first refrigerated yogurt with NutraSweet came from Kroger Co.; store brands also have been on top of the low-fat, low-sodium trend with ice creams and prepared vegetables.

Although the store brand concept has been put in place over the last five years, some say the current recession may give store brands even more momentum.

Store brands generally sell better during a recession, says Richard Furash, national director-consumer products for Deloitte & Touche, a package-goods industry consultant.

"In the last recession, consumers tried generics and found the quality wasn't up to that of national brands. But this time, what may happen is consumers may try the new and improved store brands because of their prices, and stick with the products for their quality," Mr. Furash says. □

Private label grabs its share

When measured in terms of units rather than dollars, private label shows promising share.

	Dollar share	Unit share	Difference
All departments	12.7%	15.3%	2.6 pts.
Frozen foods	15.0	22.2	7.2
Dry grocery: non-foods	10.8	14.	3.4
Health & beauty aids	4.4	6.7	2.3
Refrigerated foods	20.4	22.6	2.2
Dry grocery: food	11.6	13.6	2.0

Source: SAMI/Burke

Advertising Age chart: Kimberly Mart

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Newspapers see circulation 'win'

By Ira Teinowitz

The Persian Gulf War combined with perhaps a recession-borne interest in job opportunities helped make the past six months productive for newspaper circulation.

The Audit Bureau of Circulations FAS-FAX report for the six months ending March 31 showed few large newspapers reporting declining circulation and many reporting growth.

The report compares circulation with the same period last year.

The biggest growth came in New York, where newspapers obviously benefited from labor troubles at the *Daily News* under former owner Tribune Co.

The *Daily News* itself didn't report circulation and decided to skip the period because of its travails and subsequent ownership changes.

All other New York papers, including *The New York Times*, reported major increases. The *Times* reported circulation rose 5.2% to 1,209,225 daily and 3.3% to 1,762,015 on Sunday; the *New York Post* reported daily circulation jumped 27.7% to 644,738; and *Newsday* (which combines its Long Island and New York circulation in reporting) said it rose 16.1% to 825,512 daily and 34.5% to 960,308 on Sunday.

The biggest growth came in New York, where newspapers obviously benefited from labor troubles at the *Daily News* under former owner Tribune Co. The *Daily News* itself didn't report circulation and decided to skip the period because of its travails and subsequent ownership changes.

The *Post* continues to enjoy sales well above prestrike levels, though less than during the strike, officials said last week. The paper estimates daily sales are in the 550,000 to 600,000 range, compared to 504,720 reported last year.

The *Times* suggested its circulation increase wasn't due to the *Daily News* strike, noting more than 40% of its daily circulation gain came from the national edition. Despite price hikes in some areas, the national edition's circulation rose 11.2% to 248,660 daily and 6.5% to 304,570 on Sunday.

"Our readership and ad base are different from the New York *Daily News*'," said William Adler, corporate communications manager. "The war certainly gave us some small incremental circulation, but we have invested in the product."

The national edition now has three sections, up from two, and the paper has pushed suburban marketing, Mr. Adler said.

Several newspapers including the nation's largest, *The Wall Street Journal*, reported circulation decreases. But most—including the *Journal*—pointed to price increases.

The *Journal*, which boosted its single-copy price 50% to 75¢ on Dec. 3 and increased subscription prices 7.8% to $139 annually effective this year, said it was down 0.9% in circulation to 1,919,355.

The *Houston Post* also blamed price increases for circulation losses.

"Any time you raise your prices, you are going to take a hit," said Rikie Daniels, marketing director for the *Post*.

The paper raised its single-copy price 40% to 35¢ on Jan. 1 and saw circulation drop 5.5% to 310,758. It has since matched the *Houston Chronicle's* move to a 50¢ price.

The *Boston Herald* raised its price 40% to 35¢ on April 30, 1990, and saw circulation fall 5.1% to 351,947. But the Boston economy may also have been a factor.

"Certainly, the economic climate in the region had an impact," said John Hoarty, VP-circulation. "Unemployment in Massachusetts is in double-digit levels."

The Milwaukee Journal, which didn't raise its price, reported circulation dropped 7.5% to 255,497.

Outside New York, the biggest gain in the top 50 newspapers was reported by *The Orange County Register*, which saw circulation rise 6.8% to 372,750 daily and 6.7% to 429,146 on Sunday. □

The top 100 newspapers by circulation

Ratings based on Audit Bureau of Circulations information. Figures are for six months ending March 31, 1991, compared with the same six-month period last year, except where noted. Where papers reported Monday through Thursday circulation and separate figures for higher-selling Friday papers, the figures are weighted averages of the two.

Rank	Newspaper	Circulation	% chg	Sun. circ.	% chg
1	Wall Street Journal	1,919,355	(0.9)	—	NA
2	USA Today[1]	1,503,496	2.9	—	NA
3	Los Angeles Times	1,242,864	2.7	1,576,425	4.8
4	New York Times	1,209,225	5.2	1,762,015	3.3
5	Washington Post	838,902	1.8	1,165,567	1.0
6	Newsday	825,512	16.1	960,308	34.5
7	Chicago Tribune	741,345	0.1	1,131,226	(0.9)
8	New York Post	644,738	27.7	—	NA
9	Detroit Free Press[2]	622,349	(2.7)	1,215,149	(4.4)
10	San Francisco Chronicle[2]	570,364	0.2	704,322	(1.2)
11	Chicago Sun-Times	537,780	1.0	559,093	(1.4)
12	Boston Globe	516,961	(1.1)	798,298	1.3
13	Philadelphia Inquirer	515,523	(1.2)	987,218	(0.7)
14	Newark Star-Ledger[3]	485,362	3.3	707,391	3.0
15	Detroit News	481,766	(8.4)	—	NA
16	Miami Herald	444,581	0.3	553,479	0.4
17	Houston Chronicle	439,574	(2.3)	622,608	0.3
18	Cleveland Plain Dealer	432,449	(1.3)	561,421	0.0
19	Mnpls.-St. Paul Star Tribune	413,237	0.7	673,773	1.6
20	Dallas Morning News[1]	412,868	6.0	611,716	8.2
21	Arizona Republic[3]	393,722	2.8	595,413	2.4
22	St. Louis Post-Dispatch	391,915	4.2	585,681	4.3
23	St. Petersburg Times[3]	389,924	2.3	500,418	1.3
24	(Denver) Rocky Mountain News	374,009	2.5	432,502	4.1
25	Orange County Register	372,750	6.8	429,146	6.7
26	Boston Herald	351,947	(5.1)	230,654	(8.9)
27	Portland Oregonian	337,672	1.6	440,923	3.0
28	Atlanta Constitution[2]	329,582	6.2	700,739	2.7
29	Tampa Tribune[2]	321,626	3.9	408,343	0.3
30	Buffalo News	314,194	(0.5)	383,380	0.7
31	Houston Post	310,758	(5.5)	358,121	(3.6)
32	Kansas City Star	288,571	(3.9)	423,305	1.3
33	Orlando Sentinel	287,270	0.8	388,873	0.4
34	San Jose Mercury News	280,918	(0.2)	338,490	1.3
35	San Diego Union[3]	279,136	3.0	456,167	2.8
36	Sacramento Bee[3]	273,844	4.0	338,355	4.8
37	New Orleans Times-Picayune[3]	272,280	(3.4)	324,241	(3.0)
38	Columbus Dispatch	264,058	4.6	399,108	3.1
39	Fort Lauderdale Sun-Sentinel	262,011	(3.5)	349,737	(0.1)
40	Milwaukee Journal	255,497	(7.5)	490,199	(2.5)
41	Fort Worth Star-Telegram	250,262	(2.7)	337,446	1.0
42	Denver Post	248,493	0.7	413,343	1.2
43	Charlotte Observer	238,555	2.8	299,451	2.6
44	Louisville Courier-Journal	238,080	1.0	328,901	0.8
45	Seattle Times[2]	237,735	1.7	515,347	0.7
46	Baltimore Sun	237,519	1.7	491,924	(0.4)
47	Indianapolis Star[3]	231,892	2.5	416,752	3.1
48	Oklahoma City Oklahoman	231,653	2.6	335,319	3.9
49	Hartford Courant	231,167	0.4	320,106	1.0
50	Omaha World-Herald	224,537	1.8	288,666	0.6
51	Philadelphia News	221,855	(5.9)	—	NA
52	Pittsburgh Press	220,465	(3.4)	557,000	(1.1)
53	Dallas Times Herald[4]	210,652	(5.3)	308,449	(7.2)
54	Seattle Post-Intelligencer	209,433	3.9	—	NA
55	Memphis Commercial Appeal	208,313	(3.9)	289,444	(1.2)
56	Des Moines Register	206,204	(1.1)	344,522	(1.3)
57	Cincinnati Enquirer	203,033	2.1	351,163	2.0
58	(L.A.) Daily News	202,748	0.2	223,647	4.4
59	St. Paul Pioneer Press	201,880	2.3	267,781	3.9
60	Providence Journal-Bulletin	200,076	(1.5)	264,723	0.3
61	West Palm Beach Post	195,523	3.2	245,809	4.9
62	Atlanta Journal	189,332	(2.9)	—	NA
63	San Antonio Express-News	186,377	2.5	280,049	3.3
64	Dayton News	184,464	1.8	233,039	0.4
65	Florida Times-Union	184,394	3.0	250,112	2.6
66	Austin American-Statesman	177,040	0.3	227,918	2.1
67	Bergen Co. Record[3]	172,667	6.9	246,317	7.1
68	Sarasota Herald-Tribune[3]	171,850	2.6	—	NA
69	Westchester-Rockland (N.Y.) papers	170,472	1.7	219,499	12.1
70	Milwaukee Sentinel	166,995	(2.8)	—	NA
71	Birmingham News	166,725	(3.0)	212,529	(0.1)
72	San Antonio Light	166,722	(6.4)	233,268	(8.0)
73	Asbury Park (N.J.) Press	162,936	8.7	224,710	2.8
74	Pittsburgh Post-Gazette	161,514	(2.3)	—	NA
75	(Riverside, Calif.) Press-Enterprise	161,126	3.0	170,092	3.2
76	Baltimore Evening Sun	159,522	(4.8)	—	NA
77	Akron Beacon Journal	158,725	3.3	225,871	1.3
78	Norfolk Virginian-Pilot[2,3]	155,071	2.5	237,784	0.4
79	Fresno Bee[3]	154,589	4.1	187,541	3.6
80	Toledo Blade	153,062	(0.8)	215,490	(1.3)
81	Raleigh News & Observer[3]	148,931	(4.3)	181,703	(3.8)
82	Grand Rapids Press	146,749	3.6	191,085	3.3
83	Columbia State	145,365	0.3	173,636	1.7
84	Richmond Times-Dispatch	143,040	(0.1)	254,331	(0.4)
85	Sarasota Herald-Tribune[3]	142,598	2.6	—	NA
86	Las Vegas Review-Journal[2,4]	139,735	3.7	212,283	NA
87	Allentown Call	137,688	0.0	185,060	0.9
88	San Francisco Examiner	137,635	(2.2)	—	NA
89	Nashville Tennessean	134,607	4.2	268,554	1.5
90	Tulsa World[3]	133,902	4.5	241,478	(1.1)
91	Rochester Democrat & Chronicle	133,672	3.3	259,990	4.2
92	(Long Beach) Press-Telegram[4]	131,945	NA	151,866	(2.3)
93	(Little Rock) Arkansas Gazette[1]	130,885	(10.6)	222,072	0.4
94	Copley L.A. Newspapers	129,812	(2.0)	123,726	(1.9)
95	(Little Rock) Arkansas Democrat[1]	129,106	2.6	236,093	7.8
96	Lexington Herald-Leader	124,050	(1.1)	161,115	2.5
97	Albuquerque Journal[3]	123,481	1.7	162,394	1.9
98	Wichita Eagle	122,324	0.5	198,771	1.1
99	Roanoke Times & World-News	121,055	(1.6)	128,410	1.3
100	Tacoma News Tribune[3]	121,049	2.5	139,903	4.5

[1] Average daily figure computed from numbers supplied by publisher. USA Today reported circulation of 1,429,024 Mon.-Thurs. and Friday circulation of 1,801,384. [2] Sunday paper published under another name. [3] 3-month average. [4] Changed frequency. Paper reported differently than in past (e.g. Mon.-Fri. instead of Mon.-Sat.).

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LAST MINUTE NEWS

K-III mulling list?

NEW YORK—American Express Publishing Corp. President Thomas O. Ryder, *The New Yorker* President Steven T. Florio and former Diamandis Communications Inc. President Peter Diamandis are said to be among a short list of candidates to head the nine consumer publications K-III Holdings agreed to buy from News Corp. last month. Murdoch Magazines President Leslie Hinton will remain with News Corp. after the pending $650 million sale (AA, April 29). Messrs. Ryder and Florio declined comment, as did K-III officials; Mr. Diamandis couldn't be reached.

Nissan yanks net ads

CARSON, Calif.—Nissan has canceled all network TV commercials during July and September, replacing them with spot buys,
(Continued on Page 8)

INSIDE

TV Buying & Planning: Making sense of the media mess. **After Page 26**

FDA readies second strike

Cholesterol-related and 'light' claims next on list of targets

By Steven W. Colford and Judann Dagnoli

WASHINGTON—Food marketers using cholesterol-related or "light" claims will likely be next on the Food & Drug Administration's hit list, agency officials say.

Even as the FDA was completing its enforcement actions against food and beverage marketers for use of the term "fresh," the resurgent agency under new Commissioner David Kessler was looking for new targets.

"We are going to go into other areas," said Jeff Nesbit, FDA associate commissioner for public affairs. "I'm not yet in a position to say which. . . . There will be a definitive next step in an area like 'fresh,' where claims for marketing purposes are misleading to consumers."

"There will be a definitive next step . . . where claims for marketing purposes are misleading to consumers."

An FDA official said the agency felt that "if a food company wants to make an impact on consumers, a term they'll use is 'fresh' and another is 'cholesterol-free' or 'low-cholesterol.' "

The official mentioned "margarine or corn oil" as products that potentially will be scrutinized for cholesterol-related claims.

"Those are products that might tend to mislead customers into thinking that the product is good for their heart even though its fat content might not be," the agency official said. "But nothing has begun yet; we're still wrapping up 'fresh.' "

The 1938 Food, Drug & Cosmetics Act is the basis for the FDA's new enthusiasm for enforcement, said one official, who reiterated the agency's intention to look into possible misuses of "light" and cholesterol-related statements. The act, among other things, prohibits false and misleading claims.

In its pursuit of "fresh" offend-
(Continued on Page 46)

ANPA taps Black, plans big changes

By Rance Crain

VANCOUVER—The American Newspaper Publishers Association is spearheading a sweeping reorganization of the industry's selling and marketing arms. And it's banking on the surprise appointment last week of Cathie Black to president-ceo to get newspapers moving again.

The industry, brought together at the ANPA's 105th convention, seems determined to tap more national advertising and for the first time has launched an advertising program of its own.

The need for radical change dominated last week's meeting.

"We are currently a mass vehicle in a demassified market," Lloyd G. Schermer, chairman-ceo of Lee Enterprises and outgoing ANPA chairman, said in his keynote address. "We are attempting to sell product, not tailored solutions to marketing problems."

■ One on One interview with Cathie Black—Page 48.
■ Tina Brown tells ANPA how it misread the market—Page 48.

James Barry Agnew, VP-sales promotion of Canada's largest retailer, Hudson's Bay Co., added: "If you make the assumption we [newspapers and retailers] are both dinosaurs, who will adapt to change faster?"

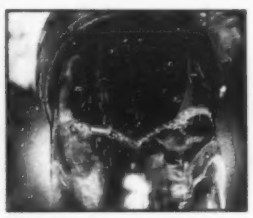
Ms. Black, in brief remarks at lunch May 7, said she's eager to work with advertisers to change their perceptions of newspapers and to bring more women and minorities into the business.

"I hope to create a sense of urgency about diversity—from the board room to the news room," she said. "It's good business, and it's long overdue. The face we put forward must reflect the future, not the past" *(see interview with Ms. Black on Page 48)*.

The former publisher of *USA Today* and exec VP-marketing of Gannett Co. assumes her new post June 17, and won the job over such candidates as James
(Continued on Page 48)

Cathie Black will be heading a restructured, more aggressive American Newspaper Publishers Association.

Voice-over: You're not just looking at a beer. . . .



VO: It's the ultimate refinement of the brewmeister's art.

(Bang. Bang. Bang.) **Different voice-over:** Coors Light, the official beer of the '90s. . . .

(Whir, whir.) **Nielsen:** Whooh. **VO:** Is the fastest growing light beer in America.

VO: It keeps growing and growing and growing. . . .

(Coors Light theme music and silver bullet.)

Eveready lashes Coors in court

By Julie Liesse and Ira Teinowitz

CHICAGO—Eveready Battery Co. executives lashed into Coors Brewing Co. last week in U.S. District Court for ripping off Eveready's award-winning Energizer bunny campaign.

"Coors is making a blatant attempt to take a free ride on our success," Michael Rivard, category manager for Eveready batteries, said in testimony before Judge Charles Norgle.

"It steals [our idea]—it's stolen it from Energizer batteries," he said. "It's a campaign we've spent a lot of money to develop. This would minimize our efforts and give a false association with Coors Light beer."

Judge Norgle this week is ex-
(Continued on Page 46)

The Triple Crown

Last month, U.S.News won three of the most prestigious awards in journalism.

1. Overseas Press Club Award

The Overseas Press Club Award for the Best General Magazine Article on Foreign Affairs for "The Most Dangerous Man in the World," a grave warning about the menace of Saddam Hussein – published ten weeks before Saddam invaded Kuwait. It meticulously outlined the size and scope of the arsenal being accumulated in Iraq.

Commenting on this cover story, the Washington Post said, "U.S.News can lay claim to some remarkable prescience.... Such editorial decisions are not flukes, but evidence of thinking ahead of the curve."

2. National Magazine Award

The National Magazine Award for Feature Writing for "Vietnam Story," a powerful reconstruction of the first major battle of that war and a tough analysis of its lessons and consequences -- written by Joseph Galloway, the only journalist present at that engagement 25 years ago.

Galloway also covered the war in the Persian Gulf for U.S.News, where his reporting was part of the extensive war coverage that Forbes magazine called "a journalistic coup.... Just as CNN left the networks running to catch up in TV coverage, U.S.News pulled off a similar feat over its newsweekly rivals."

3. Sigma Delta Chi Award

The Sigma Delta Chi Award for Magazine Reporting for "Death at Sea," an expose by Peter Cary of the Navy's investigation into the explosion aboard the *U.S.S. Iowa*. Within two months, the Navy reopened the case.

It's one example why government and business leaders in Washington, in a recent survey by Washingtonian magazine, rated U.S. News more accurate than any other newsmagazine. And why Forbes calls U.S.News "the most useful, readable newsweekly."

These three awards, plus the White House Correspondents' Association's Award for Presidential Coverage and sixteen other major awards received for 1990, confirm our commitment to deliver the best newsmagazine journalism in America.

U.S.News

NEWS SUMMARY

■ **Food & Drug Administration,** completing action against the term "fresh" on food and beverage items, may move against "light" and cholesterol-related claims next. 1

■ **Cathie Black,** former publisher of *USA Today*, was named president-ceo of the American Newspaper Publishers Association as part of a sweeping reorganization. 1

■ **Sears, Roebuck & Co.** said it will cut advertising costs of its merchandising group by $70 million to $80 million. 3

■ **Pepsi-Cola and Coca-Cola** plan massive summer promotions, both using musical tie-ins. 3

■ **Mail-order sales** by out-of-state marketers can be taxed in North Dakota, the state's high court held. 3

■ **Procter & Gamble** will eliminate the outer cartons for Sure and Secret deodorants, the latest move in the "green marketing" trend to reduce solid waste. 3

■ **Association of National Advertisers** board voted not to take a stand on the issue of sequential liability for media advertising bills. 4

■ **J.D. Power & Associates,** which rates auto owner satisfaction, has branched out into the computer field. 4

■ **Madonna's** "Truth or Dare" movie will get a "quiet" campaign from Miramax Films to broaden the film's appeal. 4

■ **Package-food marketers** are aiming new products at the growth of away-from-home meals. 6

■ **Frozen novelties** marketers plan increased ad spending this summer to counter a sales dip last year. 6

■ **American Isuzu Motors** ended its 11-year relationship with Della Femina, McNamee. 8

■ **Lever Bros. and Colgate-Palmolive** are expanding their efforts to blunt Procter & Gamble's lead in superconcentrated detergents. 16

■ **Sony Corp. of America** moved its $25 million-plus account to Leo Burnett Co. 17

■ **Eurocom is No. 1** among Europe's agency networks, with Dentsu the leader in the Asia/Pacific region and McCann-Erickson No. 1 in Latin America. 18

■ **Dad's root beer** is being repositioned for the youth market with a "Cool cool foam" theme. 36

■ **Hills Bros.** has rolled out Perfect Balance, a 50/50 blend of regular and decaffeinated coffee, similar to a product Philip Morris' Jacobs Suchard unit markets in Germany. 36

■ **Apple Computer** this week introduces System 7, a revision of the basic software for it Macintosh computers. 39

■ **Pay-per-call** 900-number services were the focus of two congressional hearings on restrictive legislation. 45

■ **"USA Today"** named Caroline Vesper senior VP-associate publisher, assuming some of the duties of former Publisher Cathie Black. 49

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Eurocom's on top

Network is first in AA's European ranking

By Nancy Giges

GLOBAL NEWS

Eurocom is Europe's No. 1 agency network in *Advertising Age's* 1990 ranking of networks by geographical region.

In the Asia/Pacific, Dentsu remained the No. 1 network as did McCann-Erickson Worldwide in Latin America.

By purchasing the European agencies of the former HDM network and merging them with the former Eurocom WCRS Della Femina Ball network, Eurocom dominated Europe. The resulting network had $590.6 million in gross income on billings of $4 billion. In 1989, HDM ranked No. 8 and EWDB No. 11 in Europe.

Publicis FCB, the alliance between Publicis Communications, Paris, and Foote, Cone & Belding Communications, Chicago, dropped to the No. 2 slot with $422.5 million in gross income on billings of $2.9 billion.

In other jumps, RSCG Group moved to No. 8 from No. 16 and BDDP Group moved to No. 15 from No. 19. Lintas:Worldwide fell to No. 9 from No. 7, J. Walter Thompson Co. dropped to No. 11 from No. 9 and Lowe International fell to No. 17 from No. 15. N W Ayer and Armando Testa Group joined the top 20 last year.

The numbers submitted by RSCG for its French business have been challenged by Publicis FCB since they differ from those submitted to the French agency association, Association des Agences Conseils en Communication. That group didn't include "media representation" in RSCG's totals, and *Ad Age* did, but this publication is re-evaluating its position for next year.

Ad Age ranked RSCG France No. 1 in France and Publicis Conseil No. 2 (AA, March 25). The agency association ranked Publicis Conseil first and RSCG second.

If the agency association numbers were used to calculate this listing, RSCG would be ninth rather than eighth in Europe.

Rankings are based on gross income in dollar amounts that an agency organization derives from the region. The figures reflect the percentage of equity the network owns. Several large Japanese and Brazilian agencies were omitted because they lack offices outside their home countries.

As the world's largest agency and with most of its income derived from its home market, Dentsu dominated the Asia/Pacific region with 1990 gross income of nearly $1.2 billion on billings of nearly $9.1 billion. Other Japanese agencies stayed high on the 12-country region's list because of their size in their homeland and the yen's strength against the dollar.

Among agencies showing momentum was Ogilvy & Mather, moving up two places to No. 10, with gross income of $74.4 million on billings of $512.8 million.

In Latin America, McCann, with $70.6 million in gross income, maintained a strong lead over JWT, which had $46 million in gross income.

Young & Rubicam moved up to No. 4 from No. 6, bypassing Lintas and Duailibi, Petit, Zaragoza.

Because of the volatility of Latin American currencies, percentages of change to 1990 from 1989 weren't calculated.

Five agencies—McCann, O&M, JWT, Leo Burnett Co. and Saatchi & Saatchi Co.—are listed in all three regions. Only one, McCann, captured a No. 1 slot. JWT held a No. 2 position, and O&M held a No. 3.

As a group, the top 20 agency organizations in Europe accounted for gross income of $5.2 billion on billings of $35.5 billion. Gross income for the top 15 in Asia totaled $2.8 billion on billings of $21.3 billion, and the top 10 in Latin America had gross income of $306 million on billings of $2 billion □

Who's on top in Asia

Rank	Agency	'90 Asia/Pacific gross income by equity	% chg over '89	'90 Asia/Pacific billings by equity	% chg over '89
1	Dentsu	$1,165,567	(0.6)	$9,062,436	1.3
2	Hakuhodo	510,279	(2.2)	4,052,347	0.2
3	Daiko Advertising	159,471	4.9	1,246,936	2.7
4	Asatsu	116,860	2.6	916,497	9.5
5	Dai-Ichi Kikaku	115,958	(31.1)	820,312	(27.8)
6	I&S Corp.	104,153	9.9	833,230	8.2
7	Backer Spielvogel Bates	103,092	6.2	896,933	9.3
8	McCann-Erickson Worldwide	96,298	2.7	641,708	2.7
9	Dentsu, Young & Rubicam	74,433	25.5	515,564	35.3
10	Ogilvy & Mather	74,350	23.3	512,761	23.3
11	J. Walter Thompson Co.	73,755	12.3	485,274	12.0
12	Cheil Communications	73,067	14.1	274,085	10.8
13	Leo Burnett Co.	57,209	8.8	381,405	9.8
14	Saatchi & Saatchi Advertising	49,345	(2.4)	299,926	(5.9)
15	Chuo Senko Advertising	49,132	(2.9)	356,380	(5.3)

Figures are in thousands. Since a requirement to be listed as a network is for an agency to have at least one office outside the home country, the following Japanese agencies were omitted: Tokyu Agency, Tokyo; Yomiko Advertising, Tokyo; Asahi Advertising, Tokyo; Man Nen Sha, Osaka; Nihon Keizaisha Advertising, Tokyo; Orikomi Advertising, Tokyo; and Sogei, Tokyo. Source: *Advertising Age*

Who's on top in Europe

Rank	Agency	'90 European gross income by equity	% chg over '89	'90 European billings by equity	% chg over '89
1	Eurocom	$590,587	46.9	$4,021,271	49.7
2	Publicis FCB	422,467	19.5	2,852,581	20.7
3	Young & Rubicam	383,579	40.0	2,707,695	40.8
4	Saatchi & Saatchi Advertising	369,937	18.0	2,558,340	18.1
5	McCann-Erickson Worldwide	347,071	24.3	2,314,969	24.3
6	Backer Spielvogel Bates	315,681	20.8	2,104,811	21.7
7	Ogilvy & Mather	313,545	19.0	2,189,310	19.0
8	RSCG Group	295,420	NA	1,733,055	NA
9	Lintas:Worldwide	287,449	27.4	1,917,284	27.4
10	Grey Advertising	266,443	32.7	1,803,996	32.7
11	J. Walter Thompson Co.	265,499	25.3	1,914,579	28.4
12	D'Arcy Masius Benton & Bowles	249,575	20.6	1,904,469	22.2
13	DDB Needham Worldwide	239,757	37.6	1,599,172	32.8
14	BBDO Worldwide	195,708	32.5	1,362,947	33.9
15	BDDP Group	191,751	83.4	1,134,216	62.7
16	Leo Burnett Co.	135,835	31.6	905,589	31.5
17	Lowe International	117,081	14.7	910,224	18.5
18	TBWA	96,098	12.3	640,757	11.8
19	N W Ayer	68,513	20.5	485,977	15.3
20	Armando Testa Group	65,476	30.3	495,642	41.8

Figures are in thousands. Eurocom WCRS Della Femina Ball and HDM's European offices merged in 1990, resulting in Eurocom. Source: *Advertising Age*

Who's on top in Latin America

Rank	Agency	'90 Lat. Am. gross income by equity	'90 Lat. Am. billings by equity
1	McCann-Erickson Worldwide	$70,568	$470,693
2	J. Walter Thompson Co.	45,980	306,548
3	Ogilvy & Mather	36,368	250,814
4	Young & Rubicam	35,571	234,853
5	Lintas:Worldwide	25,689	171,347
6	Duailibi, Petit, Zaragoza	25,500	93,000
7	Leo Burnett Co.	22,097	147,321
8	Foote, Cone & Belding	16,167	109,960
9	BBDO Worldwide	14,107	74,639
10	Saatchi & Saatchi Advertising	14,072	93,817

Figures are in thousands. Percentages of change from 1989 to 1990 are not given for gross income and billings because of the volatility of Latin American currencies. Agencies omitted because they lack an office outside the home country include MPM Propaganda, Sao Paulo; Salles/Inter Americana, Sao Paulo; Norton Publicidade, Sao Paulo; and W/Brasil, Sao Paulo. Source: *Advertising Age*

AT&T campaign touts translation service

By Kate Fitzgerald

AT&T Co. wants to be the first long-distance telephone marketer to speak every language.

The telecommunications giant has started running its first TV spot for Language Line, its foreign-language interpreting service, and last week began a print campaign in national newspapers.

The year-old program offers 24-hour, live translation of more than 140 languages on three-way calls with interpreters.

Requests for Language Line have boomed in the past 12 months among telemarketing companies, insurance marketers, the hospitality industry, and law enforcement and emergency services agencies, said Karen Arnett, Language Line general manager.

"The program is growing due to huge numbers of foreign people moving to the U.S., plus the continued globalization of the world economy," she said. "Major opportunities are also opening up in Eastern Europe and Asia."

With the $5 million campaign, AT&T is now wooing the general public to the service. Language Line costs $3.50 per minute for consumers; the fee can be charged to any major credit card or AT&T's Calling Card. Fees for businesses are $2.75 per minute after a one-time, $1,500 sign-up fee.

The line can be accessed via a toll-free number.

The 30-second network TV spot features a conversation, via a translator, between a U.S. executive on a fishing vacation and a business associate who speaks Korean. The commercial is themed "It's in the cards," promoting services available through AT&T's Calling Card.

Wunderman Worldwide, New York, handles.

AT&T expects competitors including MCI Communications Corp. and US Sprint to start copying the service soon, Ms. Arnett said.

MCI has no similar service available yet, said Roy Gamse, senior VP-customer service, but the No. 2 long-distance marketer is rapidly adding new foreign language translation services to its operator and customer assistance departments.

No. 3 US Sprint also offers operator assistance "in a variety of languages," but the company has no plans at this point to market a translation service, said Steve Dykes, public relations manager. □

Mixed bag in E. Europe

Agency execs are optimistic despite problems

By Milan Ruzicka

PRAGUE—Western ad agencies are finding more problems than they bargained for in Eastern Europe but remain upbeat about long-term business prospects.

Local companies generally don't understand advertising, and international clients grossly overestimate the level of marketing sophistication in Eastern Europe, said Yves Englebert, office manager of McCann-Erickson Prague.

Clients tend to hire agencies to produce a single ad, not understanding the concept of an account or that ad strategy is an ongoing process, agency sources say.

"Sometimes I feel like a missionary, going from client to client trying to explain what advertising is all about," Mr. Englebert said.

With offices in Czechoslovakia, Yugoslavia, Hungary, Poland and the Soviet Union, McCann is among the most broadly represented Western ad agencies. The agency's major clients in Eastern Europe include General Motors Corp.'s Opel, Gillette Co. and Nestle.

Jiri Kratena, managing director of Young & Rubicam Czechoslovakia, said that availability of qualified people will determine the pace of Y&R's growth for some time to come. Y&R, with offices in Hungary and the Soviet Union as well as here, handles many local clients plus Minolta copiers.

Qualified people are hard to find, the executives say, and quality of work is so low that even simple jobs such as printing posters or developing film must be sent abroad.

Agencies must train art directors, media planners, account execs, designers and copywriters from scratch. There are no specialists in related fields from which to draw.

"Fortunately, the labor here is so cheap that you can hire two people for one job," Mr. Englebert he said.

In addition, Eastern European languages don't lend themselves to commercial slogans, the ad executives say. For example, it can take five words to express the meaning of a single English word. Grammar is more inflexible, so it's difficult to play with language as Western ads often do.

McCann is struggling with translating Gillette's slogan, "The best a man can get," Mr. Englebert said.

"The verbatim translation into Czech is correct but has lost all its punch," he said. "All the words seem too long, so we need to invent some new ones."

Most of these problems are found throughout Eastern Europe. Hungary, however, "has more experience with a market economy than Czechoslovakia and is ahead" of all the region's emerging democracies, he said.

But the agency executives insist this is the right time to be here.

"In five years, the agencies will be fighting for clients. . . . we have a head start," Mr. Englebert said. □

Crain Publications

MAY 13, 1991

TELEVISION

A JOINT REPORT BY ADVERTISING AGE AND ELECTRONIC MEDIA

BUYING & PLANNING

New rules

for juggling the budget

TELEVISION BUYING & PLANNING

A JOINT REPORT BY ADVERTISING AGE AND ELECTRONIC MEDIA

TO OUR READERS

Tracking television can be a terrific mess.
Network and spot, cable and syndication.
Upfront and scatter.
Program and daypart.
Audience size, composition and guarantees.
Underdelivery and make-goods.
CPMs and unit costs.
Multi-media and value-added packages.
It all can make an advertiser's head spin.

Recognizing that the components of the TV marketplace have become much more complex, Crain Communications Inc. sister publications *Advertising Age* and *Electronic Media* joined forces to bring some order to the chaos. This 36-page report tracking the trends and the issues in the TV ad marketplace is the fruit of those labors.

The timing of this project is far from coincidental.

As buyers head into the upfront TV ad buying season, lingering in their minds will be thoughts of the decline of network viewership; the lack of a network hit in the 1990-91 TV season—not to mention the inability of one network to emerge from the pack; economic downturns and budget tightening; and recent bargain-basement scatter market deals.

To more accurately gauge advertisers' attitudes and plans for TV spending, *Ad Age* and *EM* commissioned Bruskin Associates, New Brunswick, N.J., to conduct a survey of advertising agency and client-company media executives.

The sample size of 151 interviews, conducted via telephone, reflects a statistically reliable representation of both target respondent groups. It is important to note the interviews were conducted between Jan. 22 and Feb. 1, during the Persian Gulf War.

In stories appearing on the following pages, surveyed TV buyers discuss in hard numbers and percentages how they expect the next upfront and scatter markets to develop.

And if you're a TV seller, the picture doesn't look favorable.

Although buyers show TV still commanding the majority of ad expenditures, TV media are receiving a smaller percentage of total ad dollars.

They also reveal which of the various TV media are receiving the biggest chunk of TV dollars. Although network remains the venerable big-bucks player, cable is shown to have solidified its place as the up-and-coming TV medium.

Buyers also claim, for the first time in years, that they will set the tenor of upfront discussions. On the following pages they even tell TV media sellers—whom they expect to be in the mood to cut some choice deals—what they expect to see in terms of cost-per-thousand and unit-cost adjustments for the upfront season.

Multi-media, multi-year buys also are gaining in importance, according to surveyed buyers, although an exploration of the automakers' TV buying strategies shows current market conditions may make it smarter for many advertisers to sit on the sidelines and watch how the market proceeds.

Throughout this section, we have interspersed some faces with the names, introducing you to the men and women who buy TV and asking them a series of questions, from how they've gotten into the business to where it's heading.

As one of the buyers, Douglas Seay of Hal Riney & Partners, puts it, the upfront season will be "volatile and unpredictable. There's no secret formula to tell."

Hopefully, this section will help put it in focus.

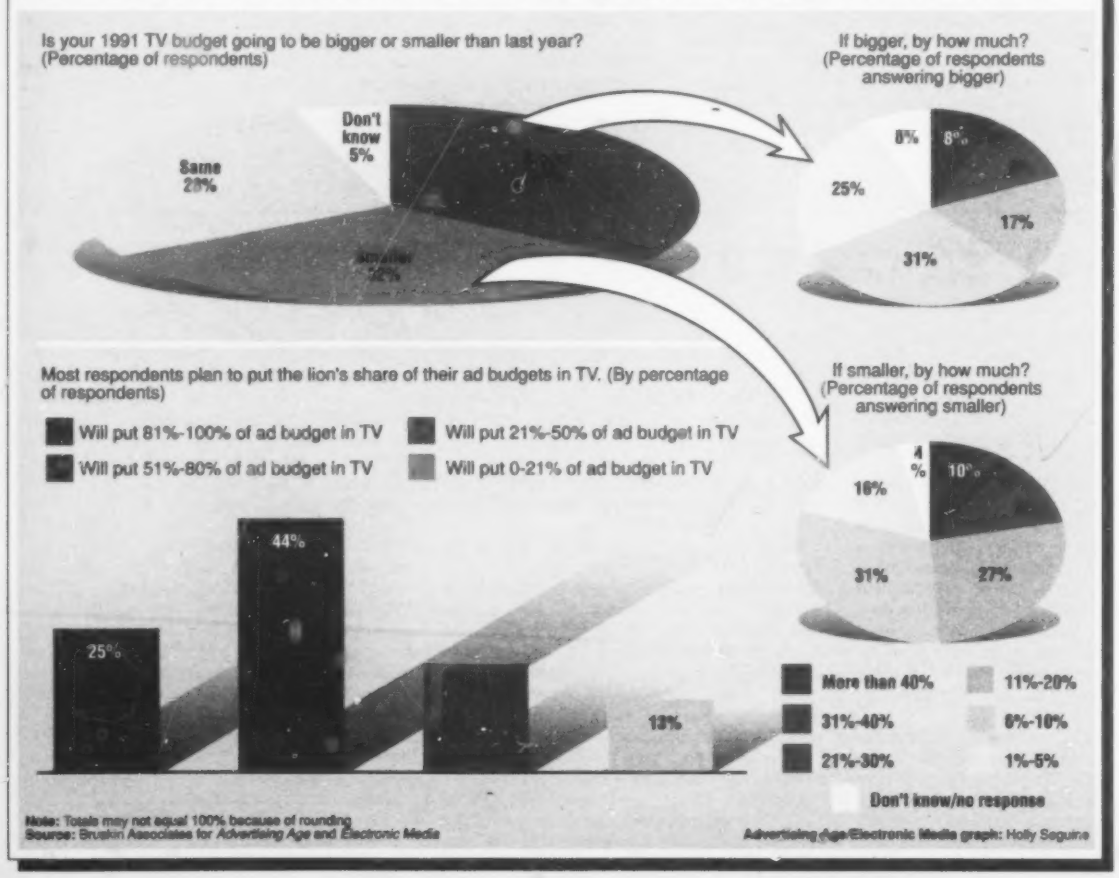
—The Editors

Major findings show TV's picture no brighter

One result emerges from the many findings of the Bruskin Associates survey of agency and client company media executives commissioned by *Advertising Age* and *Electronic Media:* The TV business is stuck in neutral–and that's an optimistic assessment.

Only 34% of survey respondents, whose opinions on issues facing TV media appear in stories throughout this report, increased their 1991 TV budgets.

Even those who are doing so aren't breaking the bank: 56% of those putting more money in TV buys are increasing budgets 10% or less.


Is your 1991 TV budget going to be bigger or smaller than last year? (Percentage of respondents)
Same 28%
Don't know 5%
If bigger, by how much? (Percentage of respondents answering bigger)
25%
8%
17%
31%
If smaller, by how much? (Percentage of respondents answering smaller)
16%
31%
27%
Most respondents plan to put the lion's share of their ad budgets in TV. (By percentage of respondents)
Will put 81%-100% of ad budget in TV
Will put 51%-80% of ad budget in TV
Will put 21%-50% of ad budget in TV
Will put 0-21% of ad budget in TV
25%
44%
13%
More than 40%
31%-40%
21%-30%
11%-20%
6%-10%
1%-5%
Don't know/no response

Note: Totals may not equal 100% because of rounding
Source: Bruskin Associates for *Advertising Age* and *Electronic Media*

Advertising Age/Electronic Media graph: Holly Seguine

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Multitude of factors in 1991-92 season likely to upset the applecart on how time is bought. *By Joe Mandese*

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Cover illustration by Richard A. Goldberg

TV enters Dark Age if forecasts are right

Lousy economy, lower ad budgets, inventory surfeit could add up to a lot of fence-sitting

By Wayne Walley

The outlook for the 1991-92 television season looks grim.

Early projections from TV buying veterans indicate the industry's ad revenues, at best, will slow this year. At worst, they'll come to a grinding halt.

Most advertisers and agency executives say TV spending for the 1991-92 TV season will be flat or down from the just-finished season, citing the economic recession for lowering the boom on ad budgets.

According to a Bruskin Associates survey commissioned by *Advertising Age* and *Electronic Media*, 32% of survey respondents say they will have a smaller TV budget this year, while another 28% report their budgets will be static.

In other words, three of every five survey respondents claim their final 1991 TV ad budgets will be no bigger than last year's.

Their TV spending plans reflect a tougher stance: Only 45% of respondents report 1990 budgets were flat or down from 1989 vs. 60% saying 1991 spending will not increase.

However, TV budgets are not necessarily being directed to other media. TV still receives the bulk of ad budgets: Survey respondents say they will allocate an average of 67% of their ad budgets to TV media including network, cable, syndication and spot.

TV simply appears to be suffering along with other media as total media advertising budgets tighten in the recession.

Richard A. Goldberg

"Budgets are down across the board," says Richard Kostyra, exec VP-U.S. director of media services for J. Walter Thompson USA, New York. "The odd person is up and a few are level."

The survey's respondents cite overall budget reductions most often as their reason for slashing TV spending. For example, of respondents who say they cut network TV spending last year, 55% attribute it to an overall ad budget reduction.

But not all the news from buyers is gloomy.

Sellers are heartened by the fact 34% of survey respondents say their 1991 TV ad budget will be bigger than in 1990.

"If more than 30% are saying their budgets will be bigger, I'll take that," says Jon Nesvig, senior VP-sales for Fox Broadcasting Co.

"Right now, frankly, the tension is over the uncertainty. People say budgets will be down or the same assuming the economic conditions remain the same. I don't know if that's an assumption that can be made," Mr. Nesvig says. "What we're seeing is maybe a bottoming out in the recession and a slow recovery with planned network TV expenditures a lagging indicator."

Mr. Nesvig theorizes some survey responses could have been restrained so buyers would retain a better bargaining position during upfront sales.

Some also might have been affected by the Persian Gulf War, which was in its second week when survey interviews were conducted.

But the attitude of the buying community has not changed in the months after the war's end.

"We're still in a recession," says Louis Schultz, exec VP-director of media services for Lintas:USA, New York. "With all the economic factors, clients have decided to hold back."

He says several clients are retaining the option to direct money that may be earmarked for media advertising toward the bottom line if the economy continues to sour into the fourth quarter.

Charles Bachrach, senior VP-director of network and programming for Rubin Postaer & Associates, Los Angeles, says people are being "understandably cautious" because of a bad economy and what has been a soft network scatter market in the first and second quarters of 1991.

"People are re-evaluating their strategies," Mr. Bachrach says.

What this means, he says, is the potential for more competition among TV media segments for a larger share of ad budgets.

For example, the cable industry and barter syndicators were once again trying to get the jump on the broadcast networks by making upfront presentations in April and early May.

Most cable networks are stressing their ability to deliver targeted audiences at a lower price than broadcast networks. This positioning allows them to take advantage of an attitude shift by some advertisers toward micromarketing and niche marketing, and may play well among advertisers looking for lower out-of-pocket costs.

Syndicators also are expounding on their lower costs. They also highlight the audience delivery of their products in various dayparts including weekday afternoons, prime-time access, prime time and late night.

In response, many believe the broadcast networks, sensing the trepidation of advertisers, might hold the line on price increases to reduce the cost differential between themselves and the other alternatives and spur more spending.

Some believe economic hard times mean a return to "tried and true" TV media, particularly network TV.

Burger King Corp., for example, plans to combat the recession by increasing its network TV spending with its "Your way. Right away" campaign via D'Arcy Masius Benton & Bowles, New

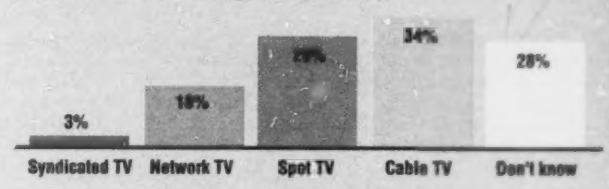
(Continued on Page S-8)

Where the money goes

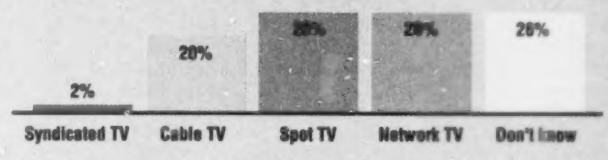
What percentage of your total 1991 ad budget will be placed in these media? (Percentage of respondents)

Percentage of budget	Network TV	Spot TV	Cable TV	Syndicated TV
None	21%	21%	15%	50%
1%-10%	7	21	58	32
11%-20%	11	18	12	6
21%-30%	12	8	4	1
31%-40%	13	11	3	1
41%-50%	11	8	0	1
51%-60%	9	1	0	1
61%-70%	5	3	0	0
71%-80%	4	1	0	0
81%-90%	1	1	0	0
91%-100%	0	0	0	0
Don't know	8	8	8	8

In your TV budget, which type of TV is receiving the greatest percentage increase in 1991? (Percentage of respondents)



In your TV budget, which type of TV is receiving the greatest dollar increase in 1991? (Percentage of respondents)



Note: Totals may not equal 100% because of rounding
Source: Bruskin Associates
Advertising Age/Electronic Media graph: Holly Seguine

Call it a quadrennial or, in '92, call it a quandary

By Wayne Walley

One would expect TV salespeople to be eyeing the calendar, waiting for 1992 to roll around. Both a presidential election and Olympic Games are scheduled then, usually causing sales and spending booms.

But 1992 could be different.

"Anyone counting on the quadrennial [the four-year Olympics/election cycle] is putting faith in an unknown," says Richard Kostyra, exec VP-U.S. director of media services, J. Walter Thompson USA, New York.

"I don't think you can count on historic patterns next year," he says.

Normally, the Olympics tighten the marketplace by removing inventory from sale.

But the 1992 Games could help create a soft upfront selling season and soft scatter markets in the next TV season.

Marketers previously funded Olympics buys from budgets not related to media spending. But the increased cost of doing so now has made more companies plan to take money for the Olympics directly from TV ad budgets, media buyers say.

As buyers cut other TV budgets to pay for the Olympics, they'll have less to spend on the normal TV season.

"Clients will take [funds] out of existing budgets to pay for the Olympics. Then the networks can say how much they've brought in for the Olympics, but they will have to ask why prime-time spending is down, too," says Charles Bachrach, senior VP-director of network and programming, Rubin Postaer & Associates, Los Angeles.

CBS and NBC, which are carrying the 1992 Winter and Summer Games, respectively, report about half of their Olympic inventory has been sold so far.

Media buyers say, however, the Olympic marketplace ground to a standstill during the Persian Gulf War and is just now slowly getting back in gear.

Buyers also question how strong an effect the 1992 presidential election will have on the TV marketplace.

Media planners now are wrestling with the various scenarios trying to determine how much money to commit upfront and how much to hold back in hopes of bargain prices.

"If the market is flat in terms of demand, the networks will wind up with excess supply, which means depressed prices [in scatter]," Mr. Bachrach says.

In that case, using history as a guide, the presidential election theoretically could fill the void in 1992. In 1988, the Bush for President Committee and the Dukakis for President Committee spent a combined $30.6 million on network TV, according to LNA/Arbitron Multi-Media Service.

But media buyers aren't so sure the networks can count on national spending by presidential candidates to rise in 1992.

"Money is tight and the Republican position is strong," says Mr. Kostyra.

However, Betsy Frank, senior VP-director of TV information and new media for Saatchi & Saatchi Advertising, New York, says local cable could benefit from its ability to allow local candidates to better target constituencies.

"Cable could be a formidable beneficiary on the local level," Ms. Frank says.

Cable reps, however, see themselves far behind spot TV as a medium for political ads.

Political spending on cable in 1992 will be significantly greater than in 1990 or 1988, says Robert Alter, president, Cabletelevision Advertising Bureau.

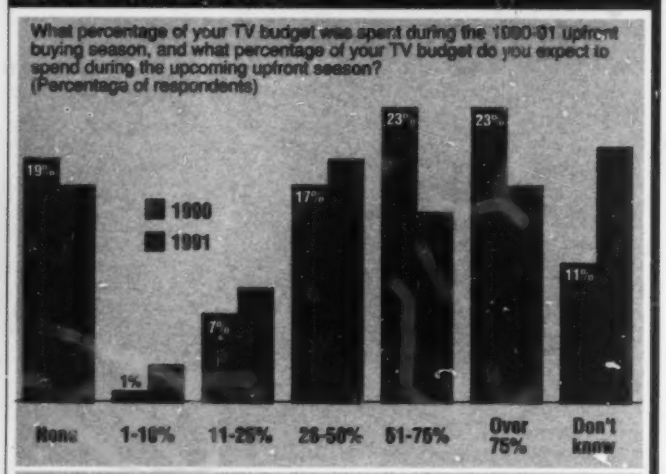
But, he adds, this amount won't begin to rival spot and local broadcast spending.

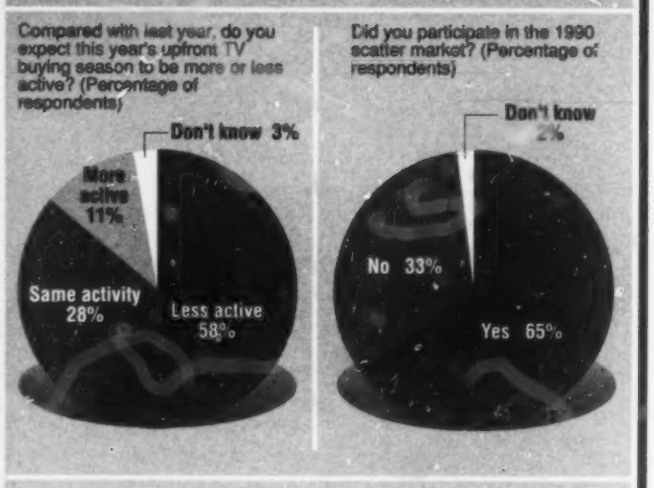
Total spending for spot and local political ads was $189.4 million in 1988 and $203.3 million in 1990, according to the Television Bureau of Advertising. Political ad spending on cable that year totaled about $12 million, according to the National Cable Television Association.

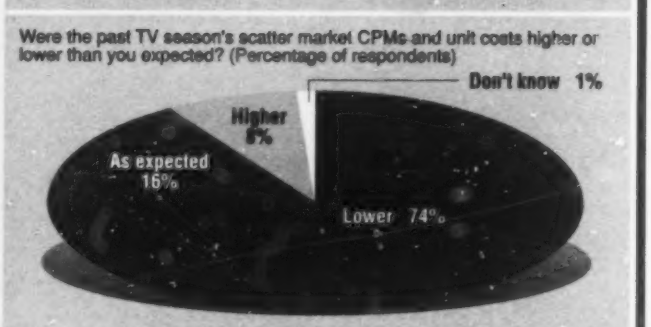
"My feeling is that in 1992 we will double what cable did the last time, in 1988," CAB's Mr. Alter says. "But I don't think cable will overtake [spot and local] next year." □

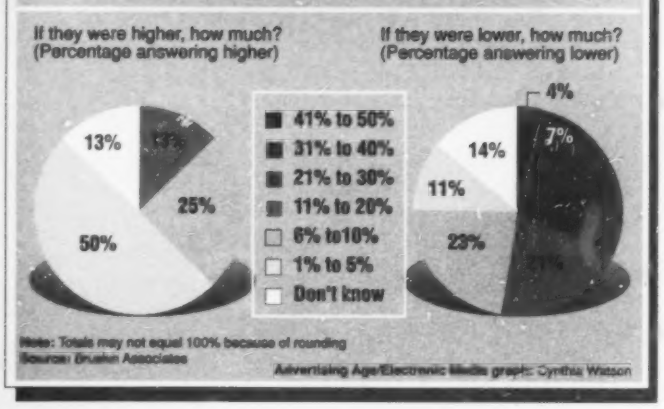
Steven W. Colford in Washington contributed to this story.

Upfront heads down




Compared with last year, do you expect this year's upfront TV buying season to be more or less active? (Percentage of respondents)
Don't know 3%
More active 11%
Same activity 28%
Less active 58%


Were the past TV season's scatter market CPMs and unit costs higher or lower than you expected? (Percentage of respondents)
Don't know 1%
Higher 8%
As expected 16%
Lower 74%



The cry grows louder: Why buy upfront?

Multitude of factors in 1991-92 season likely to upset the applecart on how time is bought

By Joe Mandese

It's late March.

A $100 million broadcast TV advertiser is on the phone discussing his 1991-92 buying strategy with his network buyer.

"I can buy cable, syndication, unwired networks and spot TV all cheaper than network. I'm buying network scatter for 50% of what I was paying in the upfront and it's guaranteed," says the client.

"So why in the world would I want to buy upfront?"

Such conversations have not been uncommon in recent months as major network advertisers began planning their buying strategies for the 1991-92 TV season.

With the softest scatter market in recent memory still fresh in their minds, many buyers are questioning the viability, let alone the vitality, of the upfront market.

The weak scatter market and the soft economy's effect on ad budgets threaten the networks' attempt to turn in another consecutive record-setting sales total in the upfront season.

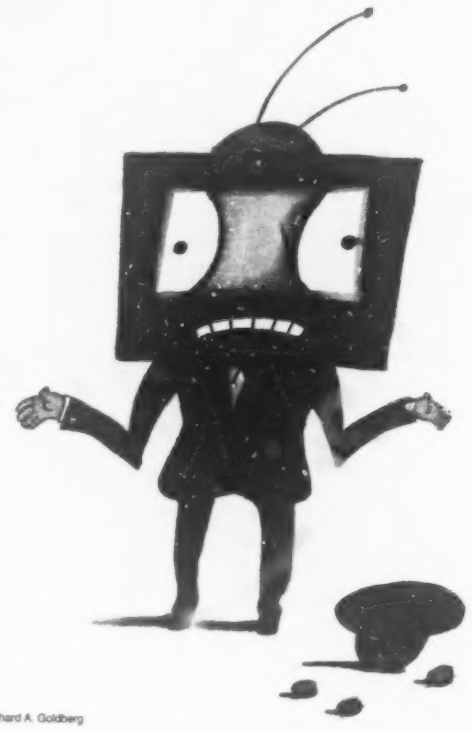
Advertisers traditionally buy upfront for price benefits, flexibility—advertisers generally can cancel up to 50% of upfront commitments, unlike typical scatter where all deals are firm—and ratings guarantees. But because the networks provided these options during the current season's scatter market, advertisers wonder whether they need to buy upfront this year.

"I don't think there has been an upfront market that has been more questionable," says Gene DeWitt, president of DeWitt Media, a New York-based media planning and buying company.

A Bruskin Associates survey of advertiser and agency media executives commissioned by *Advertising Age* and *Electronic Media* confirms this opinion. More than half the respondents—58%—expect the 1991 upfront buying season to be less active than last year. Only 11% predicted it would be more active and 28% said it would be the same.

"My gut feel is that this year's upfront will be down," predicts Bill Croasdale, exec VP-director of network and programming, Western International Media, Los Angeles.

The total upfront sales figure "could be down $500 million," Mr. Croasdale says. If this should happen, the upfront sales total would drop almost 12% to $3.8 billion from last year's $4.3 billion.


Richard A. Goldberg

Network sales executives are not as bearish, saying the market will be flat or just slightly down from last year's upfront.

It's not unusual for a soft scatter market to presage a soft upfront market, but the level and duration of 1990-91 scatter market softness has amplified the suggestions of how soft this year's upfront season could be.

Scatter market prices, which have been soft since the start of the current network season, bottomed out during the first quarter of 1991 because of concerns about the economy and displaced inventory from the networks' war coverage.

"You could get terrific bargains during the first quarter," says Doug Seay, VP-director of broadcast programming, Hal Riney & Partners, San Francisco. "We saw prime-time stuff available for 65% below what it was the year before in January, but that was the bottom of the barrel, just prior to the war."

First-quarter scatter unit prices averaged 35% to 40% below upfront rates, with some buyers reporting deals at 60% below upfront.

Although scatter prices have increased appreciably during the second quarter, they still remain significantly below upfront rates, with buyers reporting discounts of up to 15%.

Not only have these buys featured cut-rate prices, but some of the larger purchases came with audience

(Continued on Page S-12)

Dark Age

(Continued from Page S-4)

York, that broke last month.

But the fast-food marketer has not increased its annual $200 million ad budget to include the network TV bump. Instead, it plans to cut non-network TV spending and secondary programs.

Most media buyers say they will recommend a similar strategy to their clients if cuts have to be made in spending.

"In tight times, you work your way from the bottom to the most impactful media [when making cuts]," Mr. Schultz says.

According to the *Advertising Age/Electronic Media* survey, the bulk of TV budgets will go toward high-exposure network TV. Respondents name network TV most often as the TV business that offers the best return on advertising dollars. Network TV draws a 40% response, compared with 28% for cable, 17% for spot and 2% for syndication.

Accordingly, respondents say they'll spend an average of 39% on network TV in 1991, while spot TV will get an average of 26%, cable 11% and syndication 10%.

Both network TV and spot TV are mentioned most often as the types of TV receiving the greatest dollar increase in 1991 budgets. Cable TV is mentioned by 10% and syndication 6%, while network and spot were mentioned by 26% of respondents.

Others say the tough economy will force people to look for more value in media buys and become more discriminating.

"I hope buyers won't go the easy route to just tried and true media," says Mr. Bachrach. "You have to look for deals and opportunities."

Survey respondents most often name cable TV as receiving the greatest percentage increase in budgets this year among the various TV media. Some 34% of respondents say cable is receiving the largest budgetary bump, while spot TV is cited by 19%, network TV by 16% and syndication by 3%.

Some 70% of respondents increased their cable TV spending in 1990, while 50% boosted spot TV spending and 35% upped syndication spending.

Cable also is cited by 84% of survey respondents as the TV medium with the greatest growth potential. "Certain cable networks will do very well this year," Mr. Bachrach says.

Although he admits network TV generally offers the best costs per thousand viewers, "Often smaller clients are driven to cable by the smaller out-of-pocket costs."

If the economy picks up later this year, Mr. Schultz says TV ad budgets could increase, even though marketers may have started 1991 with the intent of reining in TV spending.

Most buyers believe network TV would be the first beneficiary as advertisers flock to take advantage of perceived bargains. Then, once the network economy tightens, other TV media may benefit even more as buyers again would seek alternatives to higher network prices.

Such a change in the economy would return the TV business to previous spending patterns that seemed to favor growth for alternative TV media.

If there's a silver lining among the predictions of reduced spending, it's that TV media are suffering no more than other outlets.

"This isn't an issue of TV doesn't work," says Mr. Schultz. "TV as a whole is not down. There are new ways to use it with cable, syndication and other things like switching network dayparts around. TV is still a priority for most advertisers." □

LET'S BE UPFRONT

The critical moment of the TV buying season is at hand.

Last year, advertisers poured $4.3 billion into upfront deals, but this year a weak scatter market, smaller ad budgets and higher costs could markedly reduce advertisers' interest.

To gauge what major buyers in each of the various upfront markets are thinking heading into the wheeling and dealing, Advertising Age *and* Electronic Media *conducted short interviews with top buyers in each. Their opinions appear throughout this section under the banner, "Let's be upfront."*

Appropriately, we start below with the children's upfront market, which breaks first.

Laurie Freeman, an Ann Arbor, Mich.-based free-lance writer, conducted the interviews.

Alan Bohbot, chairman, Bohbot Communications, New York

Syndication heads upfront: "This is the first time in modern times the syndicators broke before the networks; usually they go side-by-side or after the networks.

Alan Bohbot

'If we assume the total kids' advertising budget is frozen at about $550 million and syndication has now done well, about $160 million, something has to give. Either the Saturday morning network will give, although we expect that to be strong, or more likely cable or spot TV will be hurt."

The hot buys: "The hot stuff is pretty much the same stuff that was popular last year.

"The show we forecast [as] No. 1 will be 'Beetlejuice' on Fox [Broadcasting Co.]."

"Beetlejuice" also appears on ABC on Saturday mornings, and "the logic would be that if you had a show airing on Saturday and you add Monday through Friday, you'd be diluting the audience. But in the kids' market it works just the opposite.

"There appear to be two sets of kids: those who watch Saturday morning and those who watch Monday through Friday. The two groups don't overlap [in age], but there seems to be some synergistic effect. The additional exposure will help the audience."

The same effect should result from network moves to introduce animated shows into prime-time slots, he says.

"It raises the awareness of the show. Prime-time exposure would help, not hurt."

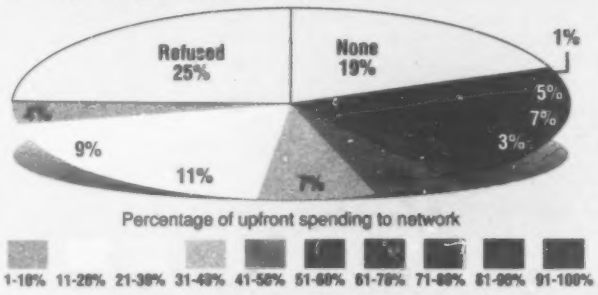
Scatter shot: There used to be "very little scatter. [But] I think what every syndicator did this year was say he's not going to stick around and wait to see whether there's scatter; they're going to go upfront. And they went upfront, aggressively priced and they sold out [their inventory].

"What it seems to be telling us is that the kids' business is really an upfront business and there's very little scatter to come."

—Laurie Freeman

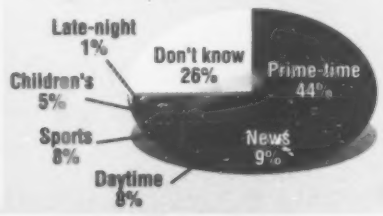
Still netting the upfront dollars

What percentage of upfront spending will go toward network TV? (Percentage of respondents)

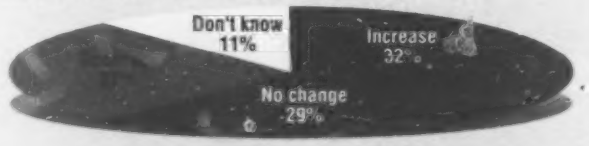


Does this represent an increase or decrease from last year?(Percentage of respondents)

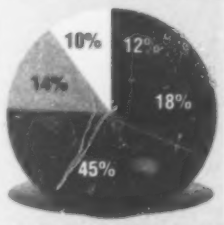
In which time period will you be most active during the network upfront buying season? (Percentage of respondents)

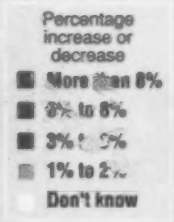


Will CPMs and unit costs during upfront network buying negotiations increase or decrease? (Percentage of respondents)

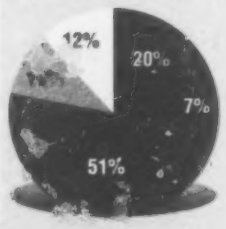


If you expect an increase, how much? (Percentage of those expecting an increase)





If you expect a decrease, how much? (Percentage expecting a decrease)



Note: Totals may not equal 100% because of rounding
Source: Bruskin Associates
Advertising Age/Electronic Media graph: Cynthia Watson

Why buy upfront?

(Continued from Page S-8)

guarantees—a device usually reserved for upfront buyers.

"I would doubt that you are going to see anyone getting individually guaranteed deals for the third quarter [of 1991]," says Aaron Cohen, senior VP-director of national broadcast programming, N W Ayer, New York.

Moreover, advertisers have exercised higher than normal levels of their third-quarter cancellation options, which returned an estimated $200 million to the third-quarter scatter market. The inclusion of guarantees in scatter buys seems to undermine a primary reason for buying upfront, buyers say.

Other buyers say pricing will be the key ingredient in generating upfront sales.

"The question isn't whether the networks will discount this upfront. It's how much they will discount," says Louis Schultz, exec VP-director of media services, Lintas:USA, New York.

Early in this season, some buyers were talking about receiving discounts of as much as 50% below last year's upfront prices, but going into this year's negotiations, he says they will more likely be "down 15% to flat."

If prices increase, he says many buyers will sit out the upfront market and gamble on scatter prices and availability.

"Scatter won't stay soft forever, so you can't assume that this will happen again next year," says Mr. Seay. "It's soft now, but I'm not convinced that it is going to stay soft. And all you've got to do is get burned once."

But others say the current mood of the marketplace presages a soft future for the networks.

"The market is still soft, so there is more leverage," says Linda Urben, corporate manager-broadcast media, AT&T Co. "I think folks will be a little more conservative. Who would have known about the war and the recession this time around? So, I think budgets will be down."

Despite such warnings, some buyers say the networks can conduct a successful upfront season.

"Buying upfront will make sense, but only if the networks make it sensible," says Mr. DeWitt.

> "Scatter won't stay soft forever, so you can't assume this will happen again next year. It's soft now, but I'm not convinced that it is going to stay soft. All you've got to do is get burned once."

He says pricing and firm guarantees will be the primary motivating factors, but that other incentives may play a role, including value-added marketing, increased cancellation options and even options to expand network inventory during the year at previously negotiated rates.

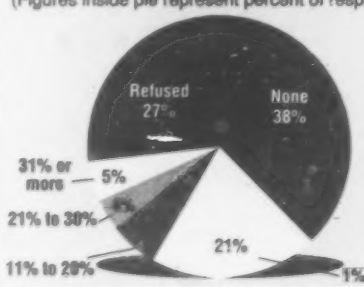
"It's not so much that the money disappeared, as much as it has been diverted to other places," says Irwin Gotlieb, senior VP-director of national broadcasting and programming, D'Arcy Masius Benton & Bowles, New York.

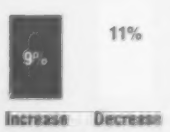
But others warn this season could be the first step in the demise of the upfront buying season, or at least some serious changes in the way it is conducted.

"It's pure insanity," says Ms. Urben. "It would be nice to think that someday this industry would figure it out so that it's not a night-and-day, kill-everybody scene." □

Syndication on the sideline during upfront

What percentage of your upfront spending will go toward syndicated TV? (Figures inside pie represent percent of respondents)

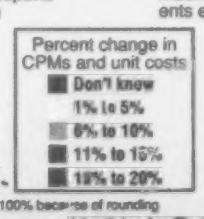




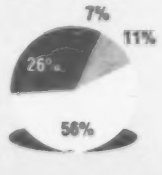
Does this percentage represent an increase or decrease from last year?

Do you expect an increase or decrease in CPMs and unit costs during upfront syndicated TV buying negotiations?

If you expect an increase, how much? (Percentage of respondents expecting increase)



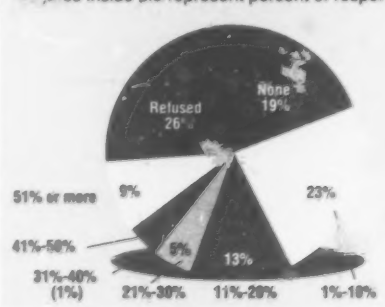
If you expect a decrease, how much? (Percentage of respondents expecting decrease)

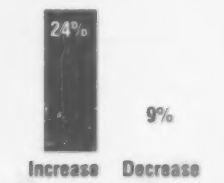


Note: Responses may not add to 100% because of rounding
Source: Bruskin Associates
Advertising Age/Electronic Media graph: John Smither

Cable increasingly wired into upfront season

What percentage of your upfront spending will go toward cable TV? (Figures inside pie represent percent of respondents)

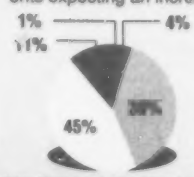


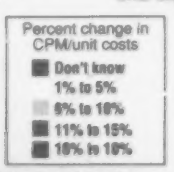


Does this percentage represent an increase or decrease from last year?

Do you expect an increase or decrease in CPMs and unit costs during upfront cable TV buying negotiations?

If you expect an increase, how much? (Percentage of respondents expecting an increase)





If you expect a decrease, how much? (Percentage of respondents expecting a decrease)

Note: Responses may not add to 100% because of rounding
Source: Bruskin Associates
Advertising Age/Electronic Media graph: Cynthia Watson

BY THE BUY

Word has it that buyers will have the upper hand in the upcoming 1991-92 TV buying season.

So who are these buyers?

To put some perspective behind the mass of men and women taking their clients' dollars into the upfront selling season, Advertising Age *and* Electronic Media *profiled 12 buyers who purchase TV ad time—lots of it.*

We selected these media buyers from agencies that ranked among the top 10 in billings placed in each specific TV medium to guarantee a view of the business from the top.

Buyers were asked identical questions on the upcoming buying season and other TV-related issues, plus a little biographical information.

These 12 profiles—starting with the one below of Bill Croasdale, who just moved from Backer Spielvogel Bates, New York, to Western International Media, Los Angeles—appear throughout this section under the banner, "By the buy."

Alicia Lasek, a free-lance writer in Chicago, conducted the series of interviews.

Name: Bill Croasdale
Title, agency: exec VP-director of network and programming, Western International Media, Los Angeles
Years in current position: Just started
Years in media department: 31
How did you wind up buying TV? "I entertained these big hopes of being a copywriter but discovered that I could n't spell, so I moved into buying."

Bill Croasdale

What do you like most about buying TV? "The constant change. Nothing's static."
What do you like least about buying TV? "All of the changes."
If you weren't buying media, what would you rather be doing? "There is nothing else as exciting and challenging as this business. It keeps you young. You must be in constant touch with everything that's going on."
What do you expect for unit costs and CPMs in network TV? A possible decrease but no increase. "This is the year when the marketplace rights or adjusts itself. A lot is predicated on the fact that cable has arri as well as syndicated and unwired networks."
What do you expect for the upfront season? "Long hours and a lot of hot tempers. The networks are going to be looking for increases, and the advertising community will be looking for decreases."
Who's holding the cards? Buyers—"at this point."
Did you feel the same way about last year's upfront? No. "Last year, the networks ramrodded us into that [households using television and persons using television] factor. This year, we're going to turn it around."
Is the TV audience measurement issue going to be hot or cold? Cold
Is the audience guarantee issue going to be hot or cold? "There will be hard guarantees, similar to what Fox [Broadcasting Co.] did last year."
What's the most important issue for network TV? A need for creative shows, "whether it's 'Cop Rock' or 'Twin Peaks.' We keep reverting to the tried and true."
Which network is the one to watch this year? "All four of them are going to have to work hard. No one has an edge on anyone else."
What type of program is your personal favorite? The Playboy Channel
What shows do you try to stay home and watch? "I make it a point to catch every show on the networks several times in a season. It's one way to ensure that the writing and production quality is consistent. If [those things] slip, it sends the signal [the show may be in trouble]."
What shows do you regularly videotape? None. "I don't have an M.S. in electrical engineering."
What show do you wish hadn't been canceled? " 'Laugh In,' and 'All in the Family' in its heyday. But genres and programs pass."
What is your current favorite broadcast show? "Cheers": "It has outstanding writing and production."
Characterize the quality of the average network show: "Quality means different things to different people. It could mean high ratings, favorable reviews, shows that cover sensitive subjects."

—Alicia Lasek

Russ Boehm, Wichita, Kansas

He doesn't sip Pouilly-Fuissé.
He drinks beer from the bottle.

TNN: The Nashville Network represents a rare opportunity for mass marketers. That opportunity is a large, loyal audience who spends almost all their disposable income on American products and services.

They're not into fancy names or expensive frills. They buy sensibly, and they buy a lot. Everything from personal computers and washing machines to convenience foods and, of course, beer.

We're very happy with our viewers.

So are our advertisers. Especially the ones who know that Americans drink a lot more beer than they do French Burgundy.

TNN
THE NASHVILLE NETWORK.
The Heart of Country

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LET'S BE UPFRONT

Aaron Cohen, senior VP-director of national broadcast programming, N W Ayer, New York.

The good news war: The network news shows "as a result of the war are in as good a position as they ever were.

"[But] what I'm looking for in news shows . . . is lower prices and the Holy Grail.

Aaron Cohen

"We anticipate that the general softness will continue.

"Budgets for many advertisers will not be as large as they were last year.

"Therefore," he continues, "the total amount of money that will be spent initially will be less, which we are expecting will lead to no increase in prices or diminution of prices.

"I think every advertiser is going to try to hold until the last available moment to see whether there is an uptick in any indicator or their own sales.

"And in all probability, a number of advertisers are not going to be able to make very aggressive moves unless the full world economy begins to move.

"If you're on the network side, it's a grim market.

"If you're on the advertiser side, there's a chance to buy advertising values at more reasonable rates."

Playing the waiting game: "Advertisers will hold their cards.

"That's why there will be a pressure on the networks downward with initial monies because of people doing different things with the money they have available."

—Laurie Freeman

'More important than price'

While the novelty has clearly worn off, and scatter prices are devilishly attractive, multi-media deals inflame marketer interest

By Christine Bunish

The current softness in the scatter market is failing to stifle surprisingly attentive interest in multi-media deals.

"Though scatter prices might be more attractive, that doesn't overcome the strategic alliance you can form [in a multi-media package]," says Greg Lincoln, media director of Pillsbury Co. "That's more important than price."

According to a Bruskin Associates survey commissioned by *Advertising Age* and *Electronic Media*, 64% of respondents think packaging a TV buy with another purchase is very important or somewhat important.

"A soft market is giving impetus to media to find creative ways to do business," says Steve Levine, senior VP-executive media director at W.B. Doner & Co., Southfield, Mich. "There are fewer bucks to go around and more vehicles. Media will be letting their imaginations go and thinking of creative ways to position their products."

"It's not only a matter of economy, but of making dollars work harder," notes Pam Warren, senior VP-media director, Rubin Postaer & Associates, Los Angeles. "You want to get more impact out of the dollars you're spending today [compared with] last year or the year before."

The media recently have assembled packages they hope will satisfy customers.

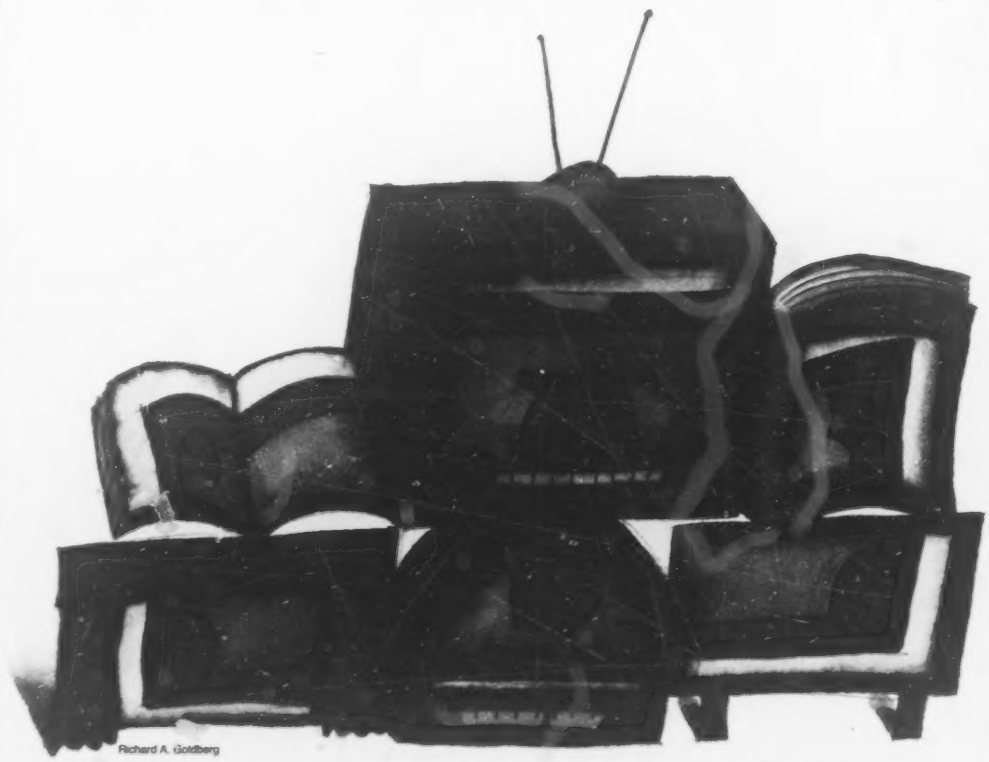
Intra-company opportunities offered by media giants such as Time Warner and Times Mirror Co. and new intercorporate links —such as those between Lifetime and *Redbook*, Consumer News & Business Channel and *U.S. News & World Report*, Financial News Network and *Business Week*, and Arts & Entertainment Network and several publications—signal a host of possibilities for advertisers.

Mary Ann Eger, VP-director of corporate advertising and marketing services for Citibank, says she's delighted companies are "bringing all their resources to bear in integrated marketing communications."

Multi-media deals can be "absolutely the right thing [for advertisers] to do as long as the media extensions you're going into are in harmony with the strategy and message of your campaign," she adds. "If everything is working to the same end, it can be extremely valuable."

But buyers have encountered scores of bargains in the current TV season's scatter market. These bargains have chilled some interest in multi-media deals as advertisers must choose between locking up a multi-media deal at a fixed price or gambling on being able to find similar scatter bargains in the future.

"If upfront is slow, it might unglue multi-media deals because of the fat buys available," says Jay Schoenfeld, exec VP-media director, Backer Spielvogel Bates, New York.



Richard A. Goldberg

"In an environment where you have tremendous efficiency opportunities, it will take something away from pursuing cross-media opportunities," says Mr. Levine.

In addition, as ad budgets tighten, buyers must choose whether or not to apportion sizable segments of their budgets to higher-ticket multi-media placements.

"One of the difficulties I see is committing to it," says David Verklin, senior VP-corporate media director, Hal Riney & Partners, San Francisco. "It requires a firm commitment or multi-year terms. That's difficult for clients who cry out for maximum flexibility."

"Generally, advertisers are leery of long-term business unless they're very special [opportunities], like the Olympics," says Mr. Schoenfeld. "But they'll tie up their money if the deal is that good."

He says assessing the cost of a multi-media deal is much harder than simply figuring the price of a TV buy.

There's difficulty in "identifying and pinpointing price in multi-media deals," Mr. Schoenfeld says.

"How do you cost them out?" he asks. "Some of it is unquantifiable. It's different from the black and white of scatter and upfront."

Still, to safeguard prospective cross-media purchases, some buyers are looking for compensation if multi-media buys underdeliver an audience.

"We'd expect to see [audience] guarantees," says Mr. Lincoln. "Whether TV time is bought independently or linked [to a cross-media deal], it doesn't change the idea of spending money and knowing what you get for it."

"You have to build flexibility into [multi-media] deals," says Roger Morrison, director of media and programs, Eastman Kodak Co. "Guarantees are a fact of life in this business; cancellation clauses are another aspect."

According to buyers, one way sellers can circumvent reduced ad budgets is to think small when offering media packages.

Multi-media deals are not "size-limited," says Mr. Morrison. "Just scale down the size of the deal."

"There are no limits to the opportunities. One shouldn't only think big or national," concurs Mr. Levine. "There's no reason why it can't work on a local or regional basis. We don't let dollars get in the way of our thinking."

He says Doner is exploring multi-media deals for several clients. "Not mega-deals but cross-media packages, nonetheless. Some are on a small scale, but they [offer] tremendous synergistic opportunities that will bring clients more bang for the buck."

Mr. Lincoln says getting mid-scale advertisers to enter multi-media deals is the key to these packages' long-term viability as a buying option.

"It's not going to become a mainstream idea and practice until the middle-of-the-road [moderate-budget] advertisers find a way to make it work," he says. "It could take 24 months to get to the next tier of advertisers, but a soft economy will expedite things."

Pillsbury has "30 brands to advertise in a given year, and we don't have $150 million to spend with one media company," Mr. Lincoln says.

Agencies emphasize their interest in multi-media deals does not stem from an eagerness to lock in big chunks of an advertiser's budget.

"It's not an opportunity for an agency to lock in spending or a commission. That would be terribly short-sighted," says Mr. Levine. "The buy isn't over when you sign the deal."

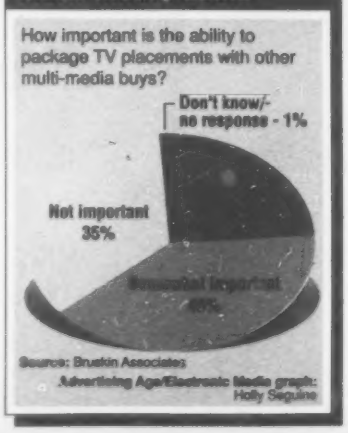
Buyers also add they won't jump at the first multi-media opportunity that crosses their desks.

While Mr. Verklin says Riney is "in the early stages of discussions with major media companies," he adds that "we're cautious about it. We don't see the need to be first."

"I think people will get caught up putting together packages and 25% [of them] may not be what you would normally recommend to the client," says Ms. Warren. "We don't compromise our media just because it's a deal." □

Christine Bunish is a Cedar Grove, N.J.-based free-lance writer.

Multi-interest for multi-media deals


How important is the ability to package TV placements with other multi-media buys?
Don't know/- no response - 1%
Not important 35%
Source: Bruskin Associates
Advertising Age/Electronic Media graph: Holly Seguine

BY THE BUY: SYNDIE

Name: Lori Anderson
Title, agency: VP-associate broadcast director, Jordan, McGrath, Case & Taylor, New York
Years in current position: 2
Years in media department: 5
How did you wind up buying television? "We were a small agency and were doing a lot of planning and buying for our accounts. When we grew, we separated the two departments and I got a little bored with the planning and moved into buying. Planning became repetitive."
What do you like most about buying TV? "You can actually see the fruits of your labor. It's a little more dramatic than print in that way. Also, [with] the negotiating involved, it's more vital for the industry, and there's a chance for growth."
What do you like least about buying TV? "The same thing: negotiating. It's fun, but sometimes it can be a pain."
If you weren't buying media, what would you rather be doing? "Selling T-shirts on a beach in Bermuda."
What do you expect for unit costs and CPMs in syndicated TV? For CPMs, a decrease of 1% to 5%. "We don't use [unit costs] as a barometer."
What do you expect for the upfront season? It will be "reasonable. In the last few years, [ratings decreases] were not justifying the increases. This year I see people realistically looking at the marketplace."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? "No. Things were in a state of flux. The networks were very aggressive; they were forcing it on the advertisers. We're not going to deal with that this year."
Is the television audience measurement issue going to be hot or cold? "Cold. It's not an issue."
Is the audience guarantee issue going to be hot or cold? "Cold. We're going back to the traditional ways."

Lori Anderson

What's the most important issue for syndicated TV? "Tiering. Last year, a lot of stations were clearing programs—they were not committed to time periods and that affected the ratings. Advertisers couldn't guess the ratings. This year I'm hearing [from station general managers] they won't be doing that."
Which syndicator do you feel is the one to watch this year? Warner Bros.: "They have new properties that can help change the marketplace if they're successful."
What type of program is your personal favorite? "A good comedy"
What shows do you stay home to watch? "Get a Life," "In Living Color" and "Roseanne"
What shows do you regularly videotape? None
What show do you wish hadn't been canceled? "A Year in the Life" and "St. Elsewhere"
What is your current favorite syndicated show? "Jeopardy!"
How would you characterize the quality of the average syndicated show? "Just as good as the average network show. The production quality has improved. There's not as many of the name-brand people, but I think they compete qualitatively with network shows."

—*Alicia Lasek*

Richard A. Goldberg

Crash course in buying time

Though GM's first buy sent foes scurrying, the soft scatter market now has them cooing

By Raymond Serafin

When General Motors Corp. powered its way into several large TV ad deals with CBS and NBC, observers wondered if these packages would send GM's competitors scrambling to offset the automaker's mega-budget buying clout.

Evidently, they haven't.

Fears that multi-year, big-bucks ad deals by big-spending auto marketers would shut out smaller automotive players have proved to be unfounded, at least so far.

Given the current TV economy, some now are questioning whether GM should be scrambling.

The soft TV sales market, with its plentiful, favorably priced scatter broadcast deals, has made it easier for smaller auto marketers to buy many prime-time and sports properties, biting into GM's advantage of having engineered long-term, exclusive TV deals.

"The [media] marketplace is softer now than it has been for a few years," says Jack Collins, ad manager for Nissan Motor Corp. USA's Infiniti division. "Not being committed [to long-term deals] is perhaps a good position to be in."

"To the degree that everyone but GM and Toyota [Motor Sales USA] are locked out of baseball [on CBS], it's a problem. But there are more than enough other sports available, and interest in sports [by advertisers] is declining anyway," says Tom Healey, director of media and advertising services for automotive marketing consultancy J.D. Power & Associates.

Last year, auto marketers spent almost $1.8 billion on network TV, according to LNA/Arbitron Multi-Media Service.

GM has been a part of more blockbuster media deals than any other marketer. That's a reflection of both the No. 1 automaker's $1 billion media budget and also the widely known desire of Philip Guarascio, GM's executive director of advertising and marketing programs, to leverage big budgets into media spending clout.

Other automakers worried GM could shut them out when the Big 3 TV networks gave GM such a dominant media position, says Mr. Healey.

But an explosion of media choices, the expansion of the number of automotive marketers and the proliferation of niche strategies make this possibility seem less likely now.

GM's divisions all rely significantly on reaching large sales volumes for core vehicles. Accordingly, to maintain its 35% share of the market, GM's media strategy hinges on reaching a large cross-section of potential car buyers.

But other auto marketers can prosper by generating a smaller sales volume, leading them to media strategies that don't clash with GM's moves.

For instance, Nissan's Infiniti division uses network TV only for a new-product launch, such as the fourth-quarter 1990 debut of the G20, says Mr. Collins.

Its primary TV medium is spot TV in the 42 markets where Infiniti dealers currently are operating. These markets constitute about 60% of the U.S. population.

"Our costs for the purchase of all spot media, TV and radio, have been lower than anticipated," says Mr. Collins, who adds that Infiniti has put those excess funds into buying more media.

Some buyers think the media are simply looking to hook other mammoth GM-size deals.

"I think a lot of the initiatives in the mega-deals are driven just by being big," says Robert Mancini, senior VP-director of media services for J. Walter Thompson USA, Detroit, Ford Motor Co.'s Ford division agency.

"Effectiveness is coming up with a relevant idea that's driven by the marketing objective of a client and then developing a program around that," he says.

A Ford spokesman acknowledges the company is negotiating with Time Warner for a possible cross-media deal, but Ford overall hasn't been aggressive in pursuing such deals.

"We're a little bit more measured in terms of doing these types of things because we're sensitive to flexibility and we're sensitive to working from an objective," Mr. Mancini says.

Mr. Guarascio brushes off any implied criticism of the deals he's helped craft for GM.

"Believe me, we are not getting involved in deals that require us to buy things we don't want to keep. The people who are critical of the deals from that standpoint are leveling criticism based on no hard knowledge," Mr. Guarascio says.

"The mega-deals we're making provide a level of flexibility that represents progress and enhancement," he says.

Mr. Guarascio says he's pleased all of the networks have become more "innovative and imaginative" in structuring proposals. "In a lot of [previous] cases, I felt we had to take the lead there, and I'm delighted to have someone come to us with an idea."

One thing on which auto marketers agree is that it's harder to reach prospects.

Even as GM leads the way in mega-deals, it's also trying out ways of reaching highly targeted audiences. It's one of six national advertisers taking part in Turner Broadcasting System's upcoming test of Airport Channel, aimed at viewers waiting at airline departure gates. And GM is the first title sponsor of the U.S. Armed Forces Sports Championships, which is expected to have strong penetration into the military community.

While some mass purchases will continue to thrive, Mr. Mancini says the overall trend will favor niche media that can deliver target groups.

"People are spending more time with the media relevant to their particular lifestyles, and the key in marketing will be to focus on the lifestyles of the people most likely to buy your product," he says.

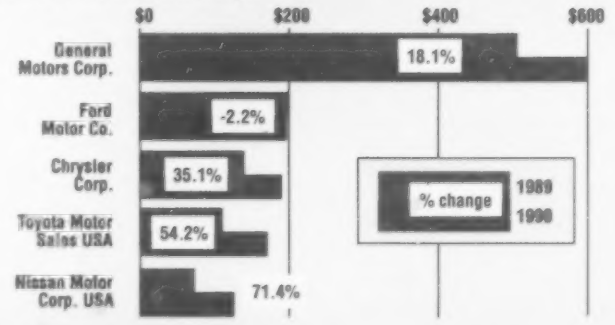
In fact, Mr. Mancini believes mega-deals won't play a significant role during the rest of the 1990s. Flexibility and selectivity will increasingly drive media strategies during the decade, and mega-deals are usually too broad-based to achieve those goals, he says.

"Clients are going to want to change with the changing conditions in the marketplace," says Mr. Mancini, pointing to NBC's decline in prime-time ratings during the 1990-91 season. "That's a major change in the marketplace, and you need flexibility to move with that."

His conclusion: The mega-deals trend "will be short-lived." □

GM drives auto spending . . .

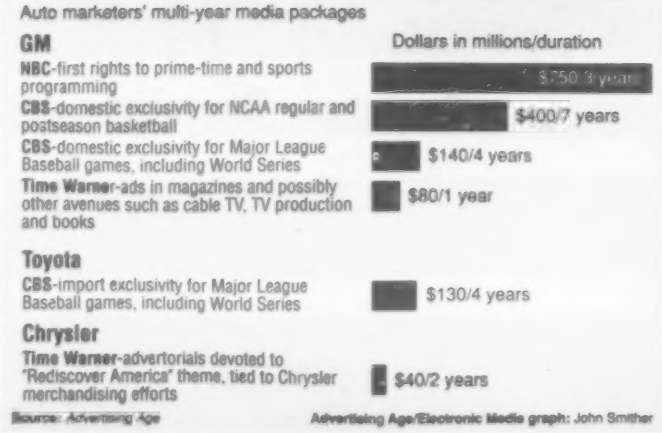
Top auto marketers' network TV ad expenditures, dollars in millions, and % change



Source: LNA/Arbitron Multi-Media Service

. . . and multi-year media packages

Auto marketers' multi-year media packages


GM
Dollars in millions/duration
NBC-first rights to prime-time and sports programming
$750/3 years
CBS-domestic exclusivity for NCAA regular and postseason basketball
$400/7 years
CBS-domestic exclusivity for Major League Baseball games, including World Series
$140/4 years
Time Warner-ads in magazines and possibly other avenues such as cable TV, TV production and books
$80/1 year
Toyota
CBS-import exclusivity for Major League Baseball games, including World Series
$130/4 years
Chrysler
Time Warner-advertorials devoted to "Rediscover America" theme, tied to Chrysler merchandising efforts
$40/2 years

Source: Advertising Age

Advertising Age/Electronic Media graph: John Smither

BY THE BUY: SPOT

Name: Nanci Gray Schwartz
Title, agency: VP-media buying, broadcast negotiator, J. Walter Thompson USA, New York
Years in current position: 13
Years in media department: 20
How did you wind up buying TV? "I started in billing and it was a natural thing to evolve into. At the time, it was a very good opportunity for a woman."
What do you like most about buying TV? "It's challenging, especially today. It's hard, because there's never the same formula, it's constantly changing."
What do you like least about buying TV? "The drudge side: bills, checking contracts."
If you weren't buying media, what would you rather be doing? "I'd go to law school and become a lawyer. And I adore animals. I'd like to own a grooming shop."
What do you expect for unit costs and CPMs in spot TV? No change. "Everything is spread thinner; it's more complicated. Costs are down, so they should be lower, but you're not getting much of a rating, so it evens out."

N. Gray Schwartz

What do you expect for the upfront season? It'll be "quiet. I can't envision anything that's going to make a difference. There's no new [ad] category. A few years back, jeans came in heavy and were filling up the air. I don't see anything that's going to make a difference now."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? Yes
Is the TV audience measurement issue going to be hot or cold? Cold
Is the audience guarantee issue going to be hot or cold? Cold
What's the most important issue for spot TV? "Costs. I don't know the answer. It needs less costly programming but better ratings. It's a terrible problem. It needs constant new programming, but costs are so high they can't maintain the prices they need to support it. Summer ratings drop to the floor, and it's worse now, because cable and VCRs are so strong. To add further to this problem, innovative, highly rated programming is on the hit list of many clients so the buyer can't include these shows as a part of the mix, even if they are cost-effective. But I just don't know what they can do [about this]."
Which local station do you feel is the one to watch this year? "In New York, WABC is dominant, but WCBS seems to be getting stronger in this market."
What type of program is your favorite? News and sports: "I love football."
What shows do you try to stay home and watch? "Jeopardy!"
What show do you regularly videotape? None
What show do you wish hadn't been canceled? None. "I'm a bridge player, so I'm always running off to play bridge."
What is your favorite broadcast show this season? "The Simpsons": "It's very clever." Also, "60 Minutes" and "Murder, She Wrote."
Characterize the quality of the average local TV program: "Pretty good [in New York] compared with elsewhere."

—*Alicia Lasek*

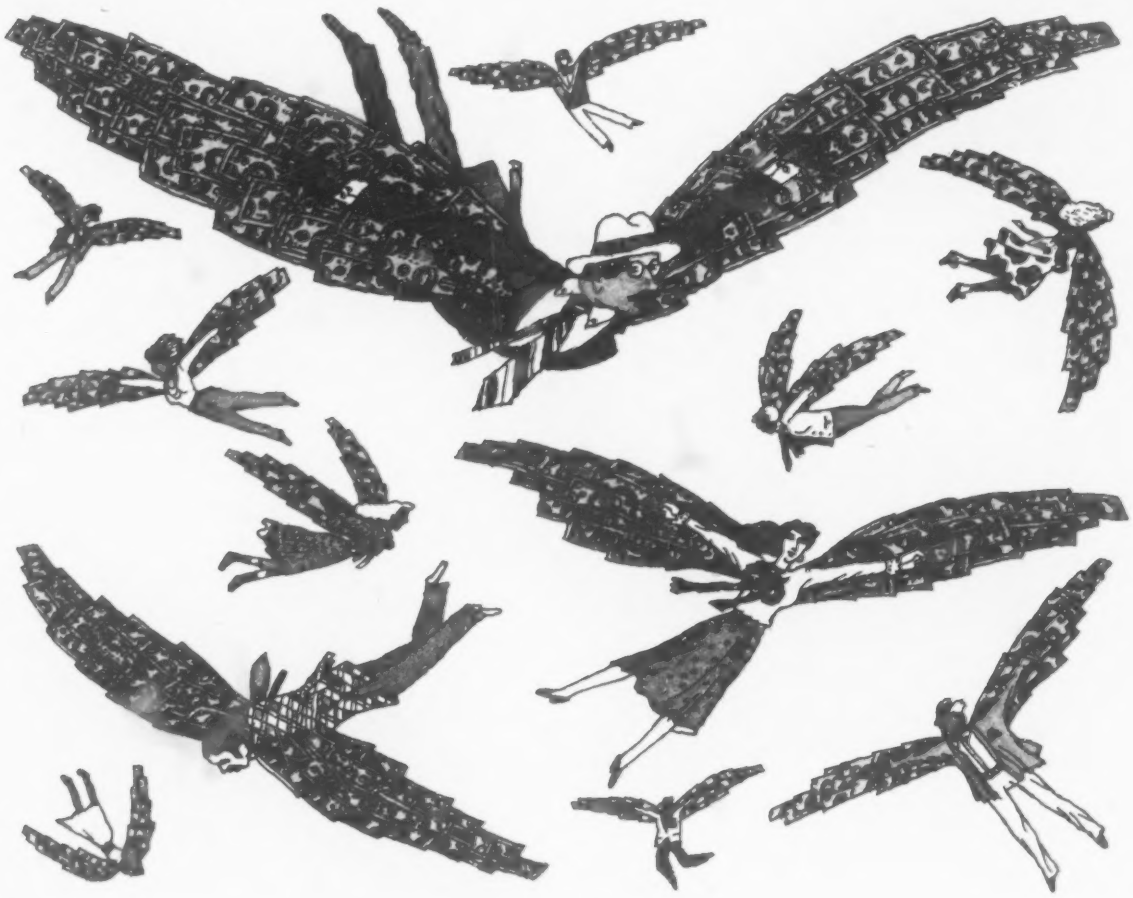
BY THE BUY: NETWORK

Name: Jon Mandel
Title, agency: senior VP-director of national broadcast, Grey Advertising, New York
Years in current position: 14
Years in media department: 16
How did you wind up buying TV? "I was in media planning at Grey and had a major fight with an account person. I went to my boss and said, 'My first fist fight was in [grade school], with Robby Powers over Monica Freid, and I'm about to have my second one. Could you find something else for me to do?' And she did."
What do you like most about buying TV? "The people in the business. Not just the people who work with me but the people at the networks, the cable networks and even my competitors. I don't think there's another business with such a high percentage of good people and a low percentage of schmucks."
What do you like least about buying TV? "If you do the job right, you're running on the edge of doing it wrong. Getting clients the best conceivable deal is a juggling act. If we make a mistake here, you're talking about a $100,000 mistake. If you make a mistake in non-broadcast media, it isn't as large and you have a lot more time to fix it. That's the edge. To do the job right, you have to go right to the precipice. You consume a lot of Maalox on this job."

Jon Mandel

If you weren't buying media, what would you rather be doing? "Something completely different. I still don't know what. That's why I'm still buying media."
What do you expect for unit costs and CPMs in network TV? "There will be decreases, and not just in network."
What do you expect for the upfront season? "To relax, I go out on my boat and catch bluefish. If the networks make my boat sit in the slip all summer, my cost-per-pound of fish is going to go up to the supermarket price. If the networks are realistic, the cost-per-pound of fish I catch will go down. . . . The year I bought my summer house was the year this [upfront buying] business went into the summer. If the networks are realistic [with prices in negotiations], I can enjoy [my summer]. If not, I'll have to take up snow skiing."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? No. "Last year it was about even between buyers and sellers. But there's no such thing as a 'must-buy' any more."
Is the TV audience measurement issue going to be hot or cold? "Cold—and it should be."
Is the audience guarantee issue going to be hot or cold? "I don't consider it an issue and never did consider it an issue."
What's the most important issue for network TV? "The networks for too long have been taking in money and not making [buyers] aware of their values. They have excellent price-per-value relationships. Because of short staffing they haven't been able to get this message out to the junior planning people and the clients."
Which network is the one to watch this year? "For the first time since TV was in black and white, you can't pick just one to watch. It's a wonderful situation for advertisers, buyers and the viewing public. There really are four viable, interesting networks."
What type of program is your personal favorite? "I'm a TV slut. I watch it all, although I wish my wife would quit watching 'Murder, She Wrote.' "
What show do you try to stay home and watch? The local news on WNYW, New York. "I don't see any of my commercials. It's the only time I can watch and relax."
What show do you regularly videotape? "I'm one of those few people who doesn't have to deal with a videocassette machine. If I want to see something, I can just call my salesman."
What show do you wish hadn't been canceled? " 'China Beach,' before it went downhill."
What is your current favorite network TV show? "Get a Life"
Characterize the quality of the average network TV show: "On syndication, network and cable, there are a lot of very good shows and a few very excellent shows, but more horrible shows. It's a function of the sheer number of hours [of programming to fill]. It's easy to say something's terrible because you get lost in the forest. Unfortunately, because of the number of hours, you don't see the trees for the forest."

—Alicia Lasek



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LET'S BE UPFRONT

Linda Urben, corporate manager-broadcast media, AT&T Co.

Being skeptical upfront: "We're looking for things that will attract the upwardly mobile male audience because they're big decision makers in our business. So things like late-night TV work for us.

Linda Urben

"But we go into the upfront with a conviction that there is nothing we absolutely have to have. We look at everything from a zero base: What can it do for us to meet our objectives?

"Diversity seems to be the name of the game to hedge against what might continue to be a soft market. There are all kinds of different shows in the works: Reality shows seem to be popular, comedies about sisters and mothers . . . and deep lists of movies."

Scatter on the rise: "The industry is probably going to be more conservative in this upfront market because some folks were burned in the '90-91 upfront.

"Scatter might be used a little more next year, as folks get budgets back. But there have been budget cuts, there is a recession and folks are looking to get more bang for the buck [and] diversifying their use of advertising and promotion dollars.

"The prime-time TV folks are going to have to work harder to get their piece of the pie, and their programming will have to be eye-catching."

—Laurie Freeman

BY THE BUY: SYNDIE

Name: Douglas Seay
Title, agency: senior VP-national broadcast, Hal Riney & Partners, San Francisco
Years in current position: 3
Years in media department: 15
How did you wind up buying TV? "I was a news writer and reporter who saw that the only way to make money in television was in front of the camera or on the buying side."
What do you like most about buying TV? "Television changes all the time. I [started buying for Ogilvy & Mather] in 1977-78, so I've only known declining network shares."

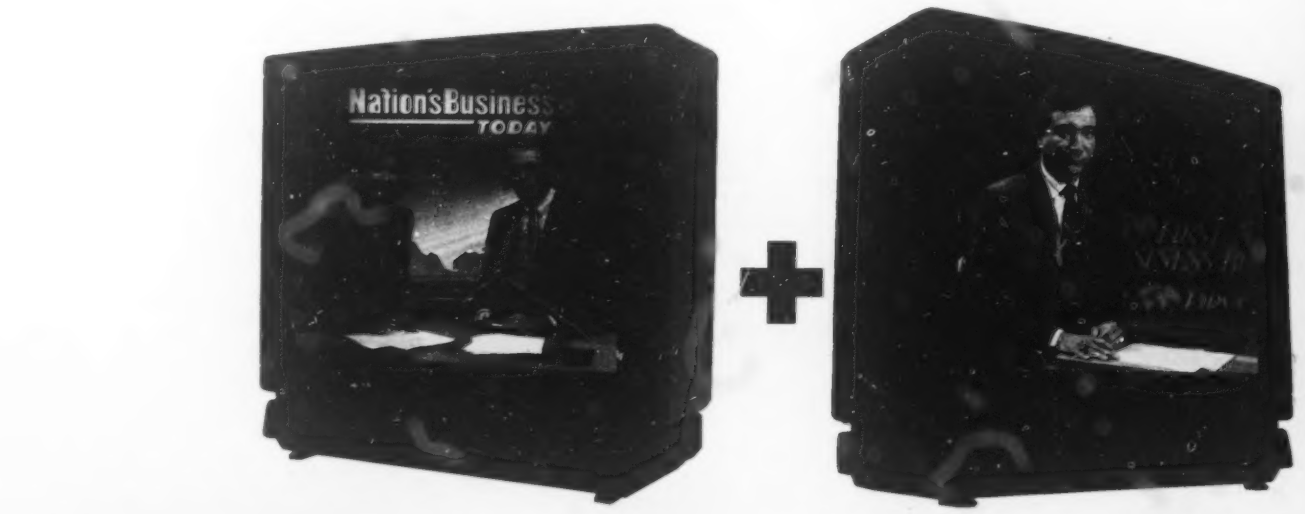
Douglas Seay

What do you like least about buying TV? "I don't like it when it gets big and bureaucratic. When I worked at Ogilvy & Mather I was a workhorse buyer. It was huge money [accounts], but with small accounts your input is better appreciated. And often, [buying] is more creative in small accounts. I want to be respected by the [client's] salespeople. My report card comes from my clients."
If you weren't buying media, what would you rather be doing? "I'd rather be a bond trader. It's not much different."
What do you expect for unit costs and CPMs in syndicated TV? Both will hold steady or decrease. "I'm not sure anyone knows what the real answer is. If buying TV is like investing, I'd rather convert to all cash and wait and see what happens. I wouldn't invest in anything right now."
What do you expect for the upfront season? It'll be "volatile and unpredictable. The war is over, but no one knows what the implications are. Interest rates are down and the feds are holding off. There's no secret formula."
Who's holding the cards? Buyers, with the exception of children's programming.
Did you feel the same way about last year's upfront? No. "The sellers were stronger last year. You know how markets are supposed to work on supply and demand? They say, 'Because demand is off, pricing should be flat.' But, in fact, if demand is off, pricing should be lower. They just won't say the words. It would be heresy to their managers. They'll probably say it's 'negative increases.' "
Is the TV audience measurement issue going to be hot or cold? "Cold. While the networks are jostling numbers, buyers are hedging their bets prior to the outcome."
Is the audience guarantee issue going to be hot or cold? "Hot. Everyone wants a guarantee. It may not be fair, but if they're going to offer it, I'm going to take advantage of it."
What's the most important issue for syndicated TV? "Accountability: ease of paper work [and] an easy system of [determining] what exactly ran."
Which syndicator is the one to watch this year? Television Program Enterprises: "They're always an interesting one because they're mainstream. They're a good barometer for the industry."
What type of program is your personal favorite? Dramas
What show do you stay home to watch? "Law & Order": "It's the best produced, acted and directed show on TV now."
What show do you regularly videotape? " 'Entertainment Tonight,' like people videotape the news."
What show do you wish hadn't been canceled? "Alien Nation"
What is your current favorite show in syndication? "Star Trek: The Next Generation"
Characterize the quality of the average syndicated show: "Too broad-based," in that syndicators are trying to please too many people at once. "The top end is as good as any, but it quickly drops [and becomes] crummy."

—*Alicia Lasek*

BY THE BUY: NETWORK

Name: Willard G. "Bill" Hadlock
Title, agency: exec VP-media services division, Leo Burnett Co., Chicago
Years in current position: 4
Years in media department: 25
What do you like most about buying TV? "I've never thought about it. All media is a challenge. Unlike print, [in TV] there's an incredible cost to the media for each additional commercial. In print, the cost of adding additional pages is almost zero."
What do you like least about buying TV? "It tends to all get done at one



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time, very rapidly, which is damaging to both buyer and seller.

"The buyer ends up being rushed, and the seller loses control of his inventory. If it was more protracted, it would be better for everybody."

If you weren't buying media, what would you rather be doing? "I'm happy working at the agency. I'm not looking for another job."

What do you expect for unit costs and CPMs in network TV? CPMs and prices will decrease, "but I'm not willing to put a percentage on it. It's a soft year for the economy."

What do you expect for the upfront season? "A good year [because of] the soft economy. Prices will go down. It's bad for the media but good for the advertiser."

Who's holding the cards? Buyers

Did you feel the same way about last year's upfront? "More so now than last year. The economy's down; there's more time than money."

Is the TV audience measurement issue going to be hot or cold? "Hot. It's a real issue, and it will continue to be so for several years. The networks don't feel Nielsen is doing a good job, and it will continue to be a problem."

Is the audience guarantee issue going to be hot or cold? "Cold. It's not an issue."

What's the most important issue for network TV? "Declining ratings and the quality of programming."

What type of program is your personal favorite? Sports

What shows do you try to stay home and watch? Sports

What shows do you regularly videotape? None

What show do you wish hadn't been cancelled? "I'm not much of a prime-time viewer."

Willard Hadlock

What is your current favorite broadcast show? "Nightline"

Characterize the quality of the average network show: "About the same as it's been for 15 years, maybe a little better."

—Alicia Lasek

LET'S BE UPFRONT

Bob Springer, senior director-advertising services, RJR Nabisco

Daytime dilemma: The upfront market for the daytime TV slot is "another strange one; there's no such thing as business-as-usual.

"I don't see any reason why it's not going to be a soft market.

Bob Springer

"It's really hard for an agency to keep a client if they invest in upfront and then find it selling significantly cheaper in the scatter marketplace. That's just not smart.

"The networks I'm sure will try something to artificially inflate the market, throw up some kind of a smoke screen, which I think they're prone to do. Last year they seized on the lower [persons using television] levels in February to kind of obscure the negotiating process. We're certainly waiting to see what that issue will be this year.

"[But] I think the networks are looking at a situation where a lot of advertisers will hold back their money for scatter unless the networks come to them with some deals that they're willing to gamble on to be upfront.

"If a network came to us with a good CPM change—and in some cases that would have to be a good decrease—then we might be inclined to commit heavily upfront.

"If the networks come out bullish as they do looking for CPM increases or even the same CPMs in some dayparts, we'd be inclined to hold a significant portion of our money for scatter."

CPM tumble: Large CPM hikes in daytime "would be ludicrous given the marketplace and the economy. This is not the year for CPM increases.

"Daytime holds up. It's stable, so I don't really anticipate any exorbitant CPM increases, but there probably will be some on the plus side, [in the] single digits."

Scatter scarcity: "There's not a lot to buy in scatter for daytime; you have to get it upfront if you want the quality time." The overall economy will prevent the networks from boosting prices in light of steady upfront demand, he says.

—Laurie Freeman

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Buyers' fave raves

Which syndicator has the greatest growth potential? (Percentage of respondents selecting each syndicator; top three responses)

1. King World Productions	6%
2. Premier Ad Sales	5
3. Buena Vista Television	4

Which cable network has the greatest growth potential? (Percentage of respondents selecting each network; top four responses)

1. CNN	53%
2. TNT	22
3. ESPN	13
4. USA Network	12

Which broadcast TV network has the greatest growth potential (percentage of survey respondents selecting each network) and 1990-91 TV season prime-time rating (and ranking)?

	Respondent Score	Rating	(Ranking)
1. Fox	33%	6.4	(4)
2. ABC	25	12.5	(2)
3. CBS	21	12.3	(3)
4. NBC	7	12.7	(1)
Don't know	15		

Note: Columns may not add to 100% due to multiple responses
Source: Bruskin Associates
Advertising Age/Electronic Media chart: Kimberly Mart

Top of the charts

Survey respondents' favorite TV programs. (Percentage of respondents selecting show as one of three favorite TV programs, 1990-91 TV season Nielsen Media Research rating and ranking among competing shows in its daypart)

Top dramas	Respondent score	Nielsen Rating	Ranking
1. "L.A. Law" (NBC)	27%	14.7	24
2. "thirtysomething" (ABC)	10	10.7	64
3. "Law & Order" (NBC)	5	12.1	49
4. "PBS Mystery" (PBS)	4	2.5	NR
5. "Equal Justice" (ABC)	3	8.9	82
"Star Trek-The Next Generation" (syn.)	3	10.9	NR
"Twin Peaks" (ABC)	3	7.2	103
8. "Masterpiece Theatre" (PBS)	2	1.9	NR
"Trials of Rosie O'Neill" (CBS)	2	11.1	61
"WIOU" (CBS)	2	8.9	82

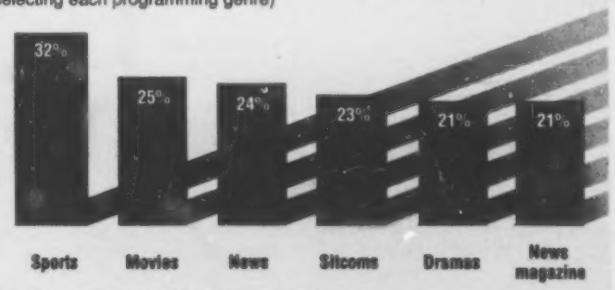
Top sitcoms	Respondent score	Nielsen Rating	Ranking
1. "Cheers" (NBC)	26%	21.5	1
2. "Murphy Brown" (CBS)	19	13.9	9
3. "Designing Women" (CBS)	7	13.7	10
4. "Coach" (ABC)	5	15.5	18
"The Simpsons" (Fox)	5	13.6	33
6. "Married...With Children" (Fox)	4	11.9	51
"Night Court" (NBC)	4	11.4	56
8. "The Golden Girls" (NBC)	3	16.6	12
"In Living Color" (Fox)	3	10.3	66
"The Wonder Years" (ABC)	3	14.1	29
11. "The Cosby Show" (NBC)	2	17.2	5
"M*A*S*H" (syn.)	2	5.3	NR
"Wings" (NBC)	2	12.4	48

Top news programs	Respondent score	Nielsen Rating	Ranking
1. "60 Minutes" (CBS)	19%	20.6	2
2. "20/20" (ABC)	6	13.5	34
3. CNN	4	1.5*	NR
"MacNeil/Lehrer News Hour" (PBS)	4	1.6	NR
5. "ABC World News Tonight"	3	11.5	1***
"Nightline" (ABC)	3	5.7	NR
7. "Primetime Live" (ABC)	2	9.7	67
8. "Crossfire" (CNN)	1	2.1**	NR
"NBC Nightly News"	1	9.8	2***
"This Week With David Brinkley" (ABC)	1	3.9	NR
"The Today Show" (NBC)	1	3.8	NR

* 24-hour rating of cable-equipped households; ** Rating of cable-equipped households; ***Rank among Big 3 broadcast network evening news shows
Sources: Bruskin Associates for *Advertising Age* and *Electronic Media*; Nielsen Media Research; Nielsen Syndication Service-Cassandra Ranking Report, February 1991; CNN; PBS.

The sporting life

Buyers' personal favorite programming types. (Percentage of respondents selecting each programming genre)



Note: Column may not add to100% because of multiple responses
Source: Bruskin Associates
Advertising Age/Electronic Media chart: Kimberly Mart

'Nothing to watch'

'Nobody waiting in line' for many shows; buyers urge nets to revamp profane lineup

By Jon Krampner

Media buyers and marketing executives are just like the general public: They're all prone to scream, "There's nothing good on TV!"

According to a Bruskin Associates survey commissioned by *Advertising Age* and *Electronic Media*, buyers and advertisers generally are unimpressed by today's TV shows.

The survey found 64% of respondents feel overall TV programming quality is fair, and another 8% describe it as poor. Only 27% think it's good, and not a single respondent characterizes it as excellent.

Respondents also say program quality is the issue TV media executives should address first.

A total of 43% of respondents cite quality as the priority issue, placing it far ahead of the 23% mentioning ad costs and the 21% saying ad clutter. Audience measurement, the barnburner issue of last year's TV season, is cited by only 13% of respondents as the top issue.

Like the viewing public, buyers express continuing concern over language and promiscuity in TV shows.

Although only 23% of survey respondents feel there was more violence on TV in the 1990-91 season than in the previous season, 52% feel there was more sex and profanity in programming, voicing particular concern over language on shows.

"A little girl saying something off-color to her father is not family viewing," says Una Barden, senior VP-associate media director, national television buying, BBDO Worldwide, New York. "Our clients don't want a negative against their company."

There were several cases "where the networks suffered because advertisers did not want to appear in some of these shows," says Betsy Frank, senior VP-director of television information and new media, Saatchi & Saatchi Advertising, New York.

In fact, according to the *Advertising Age/Electronic Media* survey, 66% of respondents say they avoid buying shows considered too sexual or profane.

This observation, coupled with the weak ad market, meant "there was nobody waiting in line to go into [these shows]," Ms. Frank says.

Although Ms. Frank says TV profanity and sex have increased in general, the canceled Fox Broadcasting Co. show "DEA" was the most constant offender. Programming executives at the Big 3 and Fox were unavailable for comment.

Although the networks feel the heat about gratuitous sex, violence and profanity, cable and syndication sometimes can be worse offenders, says Charles Bachrach, senior VP-director of network and programming, Rubin Postaer & Associates, Los Angeles. USA Network and Turner Network Television have "good-quality shows but they have racy subject matter," he says.

> "A little girl saying something off-color to her father is not family viewing."

Although Greg Moyer, senior VP-programming group at The Discovery Channel, disputes this observation about cable, he applauds advertisers' concerns over program content.

"I think advertisers are telling programmers that it's no longer a laissez-faire system, that we are responsible to know what our shows are about and the messages they send out," he says. "I welcome that new sense of social responsibility."

While buyers and marketers generally agree deficiencies in TV programming need to be addressed, they have a range of recommendations on how to correct the shortcomings.

Mr. Bachrach realizes it's difficult to create shows that both appeal to viewers and won't cause concern among some advertisers.

"If you make programming more congenial [to advertisers], it becomes pap and uninteresting and no one watches it," he says. "On the other hand, when networks address issues and subject matters that the pressure groups don't like, there are good ratings and people tend to tune in, but the advertisers bail out."

The happy medium, Mr. Bachrach says, is for programmers to tackle controversial social issues, but without injecting unnecessary sex or violence.

" 'Doogie Howser, M.D.' had a wonderful show about AIDS," he says. " 'A Different World' also talked about AIDS in a very educational and enlightening way. It was well-produced, got the point across and wasn't offensive. Advertisers should be proud to be in shows like that." Mr. Bachrach placed spots for Rubin Postaer client American Honda Motor Co. on the "A Different World" episode.

Ms. Frank says programmers could start by fixating less on the funny bone.

"The networks are all at least giving lip service to the need for more diversity of programming," she says.

According to the *Advertising Age/Electronic Media* survey, sitcoms rank No. 4 on a list of 10 programming types respondents say they prefer. With 23% of respondents saying they prefer sitcoms, the genre finished behind sports with 32%, movies with 25% and news programs with 24%. Sitcoms did finish ahead of their primary prime-time competitor dramas, which 21% of respondents say they prefer.

Some buyers suggested programmers put more emphasis on developing new programming

Buyers pilot course for fall hot spots

Feel lucky? Try playing the lottery. Or try picking next TV season's hits, given only hints out of network program development meetings.

Here are the pilots several media buyers feel have the potential to distinguish themselves this upcoming TV season. Since these picks were made only from snippets given at development meetings in March, the buyers below emphasize they wouldn't bet next month's rent or mortgage on their choices.

Charles Bachrach, senior VP-director of network and programming, Rubin Postaer & Associates, Los Angeles

"Esme's Little Nap," a CBS sitcom starring Debbie Reynolds, whose daughter Carrie Fisher is co-executive producer.

"Carrie Fisher is so off-the-wall. If you watched the movie 'Postcards From the Edge' or read her book, you know she has a delightful and insightful way of writing."

"The Brave New World of Charlie Hoover," a Fox sitcom starring Tim Matheson, with Sam Kinison as his 6-inch-tall alter ego.

"Tim Matheson's an average kind of guy, and here's Sam. If Sam were his normal height and weight, I think you'd be put off by it. But he's like the bad angel on the shoulder.

"He can be even funnier in a 6-inch size, and you can put up with him."

"The Adventures of Mark and Brian," an NBC comedy featuring two Los Angeles disc jockeys, Mark Thompson and Brian Phelps.

"I have the feeling that Mark and Brian are strange enough that they may cross over."

Lou Bullock, program services manager, BBDO Worldwide, New York

"Lakota Moon," a Fox drama focusing on the Sioux Indians in the Old West.

"It's a period of history that people are fascinated with, but it's taken from the Indians' point of view. It's a socially conscious show that may try to change people's opinions about how the Indians were treated."

Animated shows such as "Capital Critters" (ABC), "Fish Police" (CBS) and "Wayneheads" (Fox).

Mr. Bullock thinks these have potential but cautions, "Given the problems [Fox] had just getting 'The Simpsons' on the air, will [the networks] be able to put out a quality product and sustain

concepts and producing higher-quality shows?

"What we want is for the networks . . . to get reputable production companies on board—the [producer Steven] Bochcos of the world, the Jim Burrowses—and have them do pilots," Ms. Barden says.

Ms. Frank also suggests networks institute a more formal second season.

"Now the networks introduce all the shows during the same two weeks of the year," she says. TV viewers are bombarded with so many new shows in a short period it makes it difficult for a show to attract and develop an audience, Ms. Frank says.

By introducing fewer new shows in the fall and breaking more in the second season, "viewers would not be quite as confused by so many new shows being thrown up in front of them."

One buyer suggests the networks refrain from prematurely axing critically acclaimed but slow-building shows.

"They should stay with the good shows a bit longer and give them more than a six-week or seven-week trial, even if they have low ratings," says Don Cole, senior VP-media director, W.B. Doner & Co., Baltimore.

He says eventual hits "Hill Street Blues" and "St. Elsewhere" initially pulled low ratings. Although he says it's not as good as "Hill Street Blues," Mr. Cole says ABC's "Eddie Dodd" may get bounced before it should.

Whether programmers find the elusive ingredients that will bring them high ratings and ad sales remains to be seen, especially given the public's unpredictable viewing behavior.

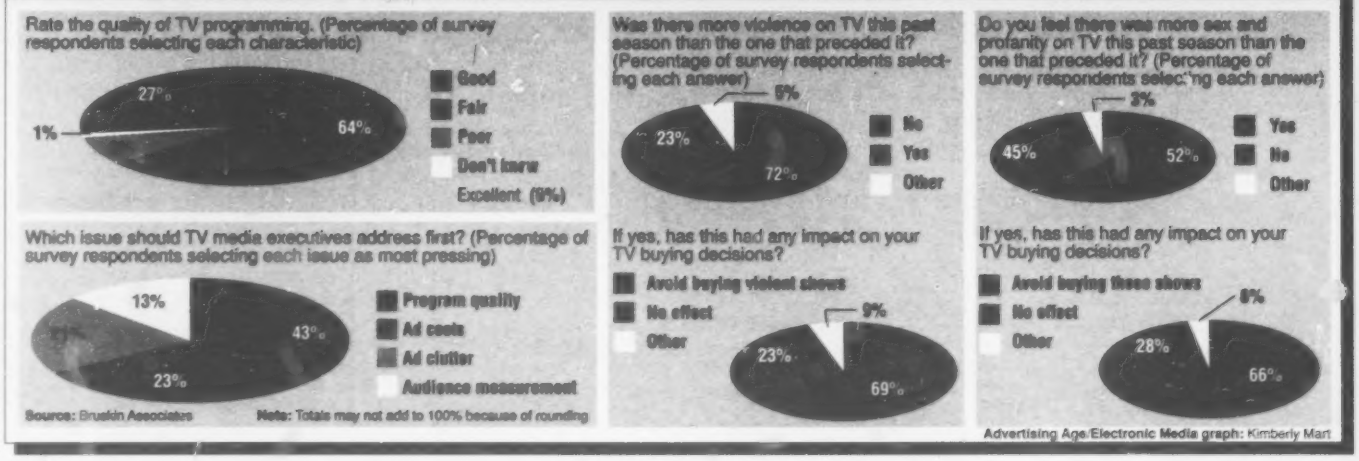
"We thought [last year's schedule] looked aggressive, that it was a schedule designed to lure some of those fickle viewers back to network television. But there were no hits," says Ms. Frank.

But, she notes, the networks' offerings for next season appear to be more in tune with cultivating their core audiences.

In the just-completed season, "CBS seemed to be focusing on getting younger audiences through shows like 'Uncle Buck,' but now they're focusing more on mature female audiences," Ms. Frank says. "The networks have done more to pinpoint on their strengths." □

Jon Krampner is a free-lance writer based in Los Angeles.

Program responses: Thumbs down on quality



Advertising Age/Electronic Media graph: Kimberly Mart

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Source: A.C. Nielsen, June 1990; Sales & Marketing Management 1990 Survey of Buying Power

it? Will they have enough lead time to pull it off?"

Betsy Frank, senior VP-director of television information and new media, Saatchi & Saatchi Advertising, New York

"Esme's Little Nap."

"It has a proven star in Debbie Reynolds, who plays an off-base kind of heroine. It could catch on; CBS has proven itself adept at these female-oriented, sophisticated comedies."

"Grey Guns," a CBS drama starring Wilford Brimley and Richard Farnsworth as policemen in a Rocky Mountain resort town.

"There's terrific chemistry between those two. The contrast between the yuppie town and the old lawmen will be interesting."

"Man of the People," an NBC drama starring James Garner as a con man turned city councilman.

"James Garner is a recognized star. It was smart to sign him up."

—Jon Krampner

Television's top shoppers

Top billing network TV agencies, millions of dollars

	Network TV billings			1990 total	Network TV billings as % of
	1990	1989	% chg	billings	1990 total
1. Leo Burnett Co.	$894.0	$855.1	4.6%	$2,035.2	43.9%
2. Saatchi & Saatchi Advertising Worldwide	858.2	803.3	6.8	1,860.9	46.1
3. D'Arcy Masius Benton & Bowles	731.1	645.9	13.2	1,978.2	37.0
4. Grey Advertising	634.5	532.9	19.1	1,710.0	37.1
5. Young & Rubicam	564.9	540.9	4.4	2,112.3	26.7
6. Backer Spielvogel Bates	532.8	602.4	-11.6	1,136.0	46.9
7. J. Walter Thompson Co.	523.6	495.9	5.6	1,787.4	29.3
8. BBDO Worldwide	514.1	454.3	13.2	1,320.1	38.9
9. Ogilvy & Mather Worldwide	504.9	512.4	-1.5	1,606.1	31.4
10. McCann-Erickson Worldwide	493.0	465.8	5.8	1,401.4	35.2
11. Foote, Cone & Belding Communications	474.0	450.3	5.3	1,753.2	27.0
12. Lintas:Worldwide	435.8	532.3	-18.1	1,354.6	32.2
13. N W Ayer	402.1	350.4	14.8	892.2	45.1
14. DDB Needham Worldwide	300.5	318.0	-5.5	1,631.9	18.4
15. Bozell	139.6	122.4	14.1	1,175.0	11.9

Top billing spot TV agencies, millions of dollars

	Spot TV billings			1990 total	Spot TV billings as % of
	1990	1989	% chg	billings	1990 total
1. Saatchi & Saatchi Advertising Worldwide	$584.3	$456.5	28.0%	$1,860.9	31.4%
2. Chiat/Day/Mojo	497.3	390.0	27.5	682.0	72.9
3. D'Arcy Masius Benton & Bowles	448.6	357.9	25.4	1,978.2	22.7
4. Foote, Cone & Belding Communications	378.0	361.6	4.5	1,753.2	21.6
5. Young & Rubicam	356.7	300.8	18.6	2,112.3	16.9
6. J. Walter Thompson Co.	355.1	326.1	8.9	1,878.4	19.1
7. Campbell-Mithun-Esty	308.1	279.4	10.3	892.5	34.5
8. Grey Advertising	301.7	321.2	-6.1	1,710.0	17.6
9. Backer Spielvogel Bates Worldwide	270.4	236.3	14.4	1,136.0	23.8
10. BBDO Worldwide	266.6	240.3	10.9	1,320.1	20.2
11. McCann-Erickson Worldwide	251.0	239.9	4.6	1,401.4	17.9
12. DDB Needham Worldwide	226.7	218.8	3.6	1,631.9	13.9
13. Ogilvy & Mather Worldwide	226.0	225.1	0.4	1,606.1	14.1
14. Bozell	222.9	179.8	24.0	1,175.0	19.0
15. Admarketing Inc.	217.2	195.5	11.1	277.2	78.4

Top billing cable TV agencies, millions of dollars

	Cable TV billings			1990 total	Cable TV billings as % of
	1990	1989	% chg	billings	1990 total
1. D'Arcy Masius Benton & Bowles	$125.2	$45.6	174.4%	$1,978.2	6.3%
2. DDB Needham Worldwide	89.1	56.5	57.6	1,631.9	5.5
3. Young & Rubicam	78.8	32.7	141.2	2,112.3	3.7
4. Foote, Cone & Belding Communications	71.0	60.2	17.9	1,753.2	4.0
5. Saatchi & Saatchi Advertising Worldwide	69.9	61.4	13.8	1,860.9	3.8
6. Grey Advertising	66.6	47.8	39.3	1,710.0	3.9
7. Leo Burnett Co.	54.9	38.4	43.0	2,035.2	2.7
8. BBDO Worldwide	49.2	11.0	347.2	1,320.1	3.7
9. Lintas:Worldwide	40.4	43.9	-8.0	1,354.6	3.0
10. McCann-Erickson Worldwide	40.0	30.0	33.3	1,401.4	2.9
11. Bozell	23.0	20.0	15.0	1,175.0	2.0
12. Ogilvy & Mather Worldwide	19.4	32.2	-39.8	1,606.1	1.2
13. Jordan, McGrath, Case & Taylor	15.4	33.1	-53.5	340.0	4.5
14. Wunderman Worldwide	14.8	9.3	59.1	254.4	5.8
15. Griffin Bacal	14.0	6.3	122.2	166.3	8.4

Top billing syndicated TV agencies, millions of dollars

	Syndicated TV billings			1990 total	Syndicated TV billings as % of
	1990	1989	% chg	billings	1990 total
1. Leo Burnett Co.	$138.5	$130.5	6.1%	$2,035.2	6.8%
2. D'Arcy Masius Benton & Bowles	96.9	80.1	21.0	1,978.2	4.9
3. Foote, Cone & Belding Communications	57.0	40.0	42.5	1,753.2	3.3
4. Saatchi & Saatchi Advertising	49.0	NA	NA	1,860.9	2.6
5. McCann-Erickson Worldwide	45.0	42.0	7.1	1,401.4	3.2
6. Jordan, McGrath, Case & Taylor	44.4	41.6	6.7	340.0	13.1
7. DDB Needham Worldwide	36.0	29.1	23.4	1,631.9	2.2
8. Young & Rubicam	27.6	15.9	74.0	2,112.3	1.3
9. Hal Riney & Partners	12.0	6.8	77.8	300.0	4.0
10. Ally & Gargano	10.8	NA	NA	328.0	3.3
11. Bozell	10.0	NA	NA	1,175.0	0.9
12. Cadwell Davis Partners	8.1	3.5	131.4	101.0	8.0
13. Burrell Advertising	7.6	7.0	8.6	58.3	13.0
14. Ross Roy Group	5.9	5.7	3.5	707.0	0.8
BBDO Worldwide	5.9	4.5	31.1	1,320.1	0.4

Source: *Advertising Age* March 25, 1991
Advertising Age graph: Christine Martin/John Bohorquez

LET'S BE UPFRONT

Dick Hobbs, senior VP-media services, Leo Burnett Co., Chicago.

Prime-time bull market: "Certainly if the recession is over and the economy were to make big strides forward, that could have a positive influence from the sellers' standpoint on the upfront. But I'm not sure I believe things have turned around."

Dick Hobbs

Put it in writing: "Prime-time audience guarantees are very important.

"We're looking for a continuation of audience guarantees in the traditional fashion, straight on with Nielsen [Media Research data] and without any of these potential adjustments that were discussed last year. We're a firm believer in the people-meter system.

"The decline of [network TV viewing] audiences has been a fact of life, and one has to buy around it.

"There's erosion in all day-parts. I'm not sure whether the percentage of erosion is greater in prime time, but it might be."

—*Laurie Freeman*

BY THE BUY: CABLE

Name: Susan Ware
Title, agency: Network program supervisor, DDB Needham Worldwide, New York
Years in current position: 2
Years in media department: 15
How did you wind up buying TV? "I started as an assistant buyer and planner, and was at [New York-based media buying service] Clifford A. Botway Inc. doing print buying, and Needham had an opening, so I went there."

Susan Ware

What do you like most about buying TV? "TV is very dynamic. There are so many alternatives."
What do you like least about buying TV? "Sometimes it's too complicated. There are too many cable salespeople and so many cable channels. Every time one changes management, everyone's new and you have to get to know them all over again."
If you weren't buying media, what would you rather be doing? "In college I wanted to be a marine biologist, but I'd rather be fishing. A couple of my friends and I kid around that we're going to open a pizza parlor."
What do you expect for unit costs and CPMs in cable? Flat to a 1% to 5% increase at most. "There will be major adjustments with network this year, so cable should be flat."
What do you expect for the upfront season? It'll be "long and arduous. With network setting the tone for everyone, cable should not be quite so hard-nosed, although they might be. Our experience is that [cable] pricing should be in a certain place, but we don't necessarily share that point of view with the people who are selling it. National syndication's a funky mess . . . cable is still strong this year. I have this feeling sometimes that the cable networks are going to really ram it to us. It will be interesting dealing with CNN."
Who's holding the cards? Buyers: "We all have a similar mentality this year."
Did you feel the same way about last year's upfront? "Yes, but buyers may have more [clout] than last year. Even if the cable networks are going to be tougher, I think the buyers will still hold the cards."
Is the TV audience measurement issue going to be hot or cold? Cold
Is the audience guarantee issue going to be hot or cold? Cold
What's the most important issue for cable? "I think the thing we're most worried about is the measurement issue."
Which cable network is the one to watch this year? Arts & Entertainment Network: "They tend to adjust their schedule like a broadcast network; a lot of strategy goes into trying to make their network appealing. They're trying to do exciting things."
What type of program is your personal favorite? Mysteries
What show do you stay home to watch? "L.A. Law"
What shows do you regularly videotape? "None. I don't have time to watch them anymore."
What show do you wish hadn't been cancelled? "ALF"
What is your current favorite cable show? A&E's "Agatha Christie Mysteries"
Characterize the quality of the average cable show: "It's equal to network programming. The cable networks are really making an effort to provide high quality."

—*Alicia Lasek*

BY THE BUY: CABLE

Name: Suzanne Shawn
Title, agency: Senior VP-national broadcast media, Lintas:Campbell-Ewald, Detroit
Years in current position: 1
Years in media department: 9
How did you wind up buying TV? "I was hired by Campbell-Ewald in 1982 to explore new technologies—cable."

Suzanne Shawn

What do you like most about buying TV? "I like the challenges of it. I also like being part of the beginnings of cable and witnessing it grow, but knowing that it's still evolving."
What do you like least about buying TV? "The upkeep and the maintenance. It's a laborious task."
If you weren't buying media, what would you rather be doing? "You know, I never even thought about it. I'm doing what I want to do."
What do you expect for unit costs and CPMs in cable? CPMs will hold stable. "It's a buyer's market. There's going to be less money available in the marketplace."
What do you expect for the upfront season? "I think the cable [upfront] marketplace will follow the networks' season. The networks will set the tone, and I think they'll cut good deals with advertisers. This will have a residual effect on cable, and it'll be difficult for cable to be that aggressive [on pricing] if

advertisers get these great deals."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? No. "This year, the economy is a key factor."
What's the most important issue for cable? Inventory control: "Several networks have a way to go before they know what they have to sell."
Which cable network is the one to watch this year? Turner Network Television: "Especially if they can expand on their original productions, which are excellent. They've already got terrific movies and the National Basketball Association."
What type of program is your personal favorite? "I don't watch a lot of TV. I'm a light viewer."
What show do you try to stay home and watch? "L.A. Law"
What is your current favorite cable show? "L.A. Law" on Lifetime
Characterize the quality of the average cable show: "A lot of cable TV shows are off-network series, so they're the same as network TV. But the original programming is terrific. That's what they're concentrating on; they're on par with anything."

—Junu Bryan Kim

BY THE BUY: SYNDIE

Name: Steve Auerbach
Title, agency: senior VP-director of network programming, Ally & Gargano, New York
Years in current position: 5
Years in media department: 15
How did you wind up buying TV? "I was in the network television research department at Ted Bates. It evolved into an assistant buyer's job."

Steve Auerbach

What do you like most about buying TV? "It's program-oriented, rather than spot TV, where you're buying a daypart rotation. Also, it's more 'show-bizzy' than other media. It's less that now, but in the beginning, that was a fun aspect. You got to go places and rub shoulders with the famous and not-so-famous."
What do you like least about buying TV? "It's becoming less relationship-oriented and more pocketbook-oriented. It used to be a closed business. You saw the same people over and over, and you could get some favors. It was an 'I'll rub your back if you rub mine' situation."
If you weren't buying media, what would you rather be doing? "Sitting in a yacht, having someone sail it around the world for me. I'd find the best golf course on an island, get off and play a few rounds and get back on again."
What do you expect for unit costs and CPMs in syndicated TV? No change or a decrease of up to 5% in costs and CPMs: "That's how it should be. The talk is less money in the upfront marketplace, and as an incentive to get the money in, the syndicators have to lower their prices."
What do you expect for the upfront season? Because of the economy, "it will be a buyer's market. Those two words haven't been uttered in a long, long time."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? No: "It's been a seller's market for a long time."
Is the TV audience measurement issue going to be hot or cold? Cold
Is the audience guarantee issue going to be hot or cold? Cold: "There are going to be regular guarantees. Syndicators have already said that."
What's the most important issue for syndicated TV? "The syndicators must relate to the buyer's realistic rating estimates. We try to build 'recapturable inventory'—make-good inventory that's allocated at the time the buy is ordered—so we don't find ourselves 20% behind later. If the syndicator delivers the guaranteed rating, then they can take the inventory and sell it. Otherwise, it can be used as a make-good."
Which syndicator is the one to watch this year? Paramount Television Group: "They've got 'The Maury Povich Show,' 'The Arsenio Hall Show' and 'The Party Machine with Nia Peeples.' They're giving their shows a chance to succeed and coming up with fresh, successful products. You could say King World is the strongest; they have been, income-wise, but they've been riding on 'Wheel of Fortune,' 'Jeopardy!' and 'The Oprah Winfrey Show' for the last umpteen years. They'll say, 'Look at "Inside Edition," ' but it isn't that strong. They generate more income, but their shows will get tired."
What type of program is your personal favorite? News and sports programming
What shows do you try to stay home and watch? " '60 Minutes,' if anything, but I usually don't."
What shows do you regularly videotape? None: "I haven't figured out how to yet."
What show do you wish hadn't been canceled? The original "Star Trek"
What is your current favorite syndicated TV show? "Jeopardy!"
Characterize the quality of the average syndicated TV show: "I worked for a syndication company 15 years ago. But it's a different generation now, and it's 1,000% better than it used to be. . . . In the early days, they had two or three talk shows and the rest were reruns. There was no original programming. The packagers wouldn't have the balls to deficit-spend. But it's matured."

—Alicia Lasek

BY THE BUY: SPOT

Name: Oksana Glass
Title, agency: manager-local broadcast, Chiat/Day/Mojo, New York
Years in current position: 3½
Years in media department: 22
How did you wind up buying TV? Began in 1969 by buying for Tatham-Laird & Kudner, Chicago. Eventually moved to New York and bought for Wells, Rich, Greene and SSC&B. "I came in as New York supervisor when Chiat/Day regionalized."

Oksana Glass

What do you like most about buying TV? "It's so topical and so immediate. We can take advantage of local tie-ins, and you can really turn around the next day and do something new."
What do you like least about buying

(Continued on Page S-32)

CBS National Sales & CICI-TV & CKNC-TV & KAMR-TV & KATU-TV & KAYU-TV & KAKE-TV & KAPP-TV & KAUZ-TV & KATV & KALB-TV & Cedar Rapids TV Company & KADN-TV & KABB-TV & KARD-TV & KATC-TV & KAME-TV & KBMT-TV & KBSI-TV & KBAK-TV & KBTX-TV & KCRG-TV & Cox Broadcasting & KCPM-TV & KCTV & KCBA-TV & KCBS & KCRA-TV & KCSO-TV & KCOY-TV & KCCI-TV & KCY-TV & KCFW-TV & Eagle Communications & KCRA-TV & KCRA-TV & KDVR-TV & KDSM-TV & KDLH-TV & KTTU-TV & KDEB-TV & KEZI-TV & KECY-TV & KENS-TV & Great American Broadcasting & KEYT-TV & KECI-TV & KEPR-TV & KFDA-TV & KFTY-TV & KFTY-TV & KFBB-TV & KFVE-TV & KFDX-TV & KFXK-TV & KWHY (Hispanic Telecom Group) & KGTV & KGBT-TV & KGUN-TV & KOCB-TV & KGGM-TV & KGIN-TV & KHSL-TV & KHQ-TV & KHTV & KHQA-TV & Buena Vista Television & KHON-TV ... tal Cities/ ABC, Inc. & ... -TV & CBS/ Broadcast ... & KMIZ-TV & KMVT-TV ... KOAM-TV & KODE-TV & ... TV & KPAX-TV & KQTV- ... & KRTV-TV & KRCR-TV ... ent, Ltd. & KSAS-TV & ... -TV & Fox Broadcasti ... KTVM-TV & KTRE-TV & ... TV & KTSP-TV & KUTV ... & KVOS-TV & KVOS-TV ... KXLY-TV & KXLF-TV & ... TV & WACH-TV & WACH ... WBTW-TV & WBFF-TV & ... TV & WCIA-TV & WCJB- ... & WDBB-TV & WDAF-TV ... & WEHT-TV & WEVU-TV ... WGN-TV & WGEM-TV & ... -TV & Katz Communica ... TV & WIFR-TV & King W ... TV & WJCL-TV & WJBF- ... WKJG-TV & WKPT-TV & ... & WLOX-TV & WLTX-TV ... & WMBD-TV & WMAR-TV & WMDT-TV & WMSN-TV & WNEM-TV & WNOL-TV & WNUV-TV & WNRW-TV & WNWO-TV & Orbis Communications, Inc. & WNRW-TV & WOAY-TV & WOKJ-AM/WJMI-FM & WOGX-TV & WOWT-TV & WOTV-TV & WOLO-TV & WPDE-TV & WPXI-TV & WPGH-TV & Paramount Pictures Corporation & WPTY-TV & WPMI-TV & WPTT-TV & WPMT-TV & WRGT-TV & WRLH-TV & WRSP-TV & WRDW-TV & WRBL-TV & WREX-TV & Petry, Inc. & WROC-TV & WRGT-TV & WRLH-TV & WSB-TV & WSOC-TV & WSMH-TV & WSMV-TV & WSYX-TV & WSBK-TV & WSEE-TV & Seltel, Inc. & WSYM-TV & WSAW-TV & WSYT-TV & WSJV-TV & WTVC-TV & WTTV-TV & WTMJ-TV & WTTO-TV & WTSP-TV & WFXL-TV & Teletrib, TPE/TEC & WTKR-TV & WTRF-TV & WTLV-TV & WTVZ-TV & WTVO-TV & WTTE-TV & WTVM-TV & WTAT-TV & WTVW-TV & WTVY-TV & Telerep, Inc. & WTOV-TV & WTWO-TV & WTAP-TV & WTOK-TV & WTAT-TV & WUPW-TV & WUHQ-TV & WUHF-TV & WUTQ-TV & WUHF-TV & Twentieth Century Fox TV & WUTV-TV & WVTM-TV & WVAH-TV & WVLA-TV & WVVA-TV & WVAH-TV & WWL-TV & WWTV-TV & WWBT-TV & WXMI-TV & Viacom International, Inc. & WXIX-TV & WXVT-TV & WXTX-TV & WTXF-TV & WXXV-TV & WXFL-TV & WYOU-TV & WYSM-TV

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Leading advertisers on network TV, millions of dollars

	1990	1989	% change
1. General Motors Corp.	$598.4	$506.5	18.1%
2. Procter & Gamble Co.	557.6	404.8	37.7
3. Philip Morris Cos.	402.2	368.4	9.2
4. Kellogg Co.	301.3	324.8	−7.2
5. Sears, Roebuck & Co.	253.8	187.5	35.4
6. AT&T Co.	244.9	162.7	50.5
7. McDonald's Corp.	231.0	252.1	−8.4
8. Johnson & Johnson	211.4	169.9	24.4
9. Ford Motor Co.	196.9	201.4	−2.2
10. PepsiCo	193.4	168.8	14.6
11. Chrysler Corp.	190.0	140.6	35.1
12. Grand Metropolitan	183.1	148.2	23.5
13. Toyota Motor Sales USA	170.9	110.8	54.2
14. Unilever U.S.	162.9	190.4	−14.4
15. American Home Products Corp.	150.5	161.9	−7.0
Total network TV spending	$10,132.3	$9,559.0	6.0%

Leading advertisers on spot TV, millions of dollars

	1990	1989	% change
1. Procter & Gamble Co.	$303.2	$218.1	39.0%
2. PepsiCo	284.6	264.7	7.5
3. Philip Morris Cos.	221.2	180.4	22.6
4. General Mills	191.5	150.3	27.4
5. McDonald's Corp.	146.0	141.3	3.3
6. General Motors Corp.	136.5	90.9	50.2
7. Toyota Motor Sales USA	117.6	91.0	29.2
8. Nissan Motor Corp. USA	108.2	113.5	−4.7
9. Anheuser-Busch Cos.	91.6	94.8	−3.4
10. Walt Disney Co.	86.2	66.8	29.0
11. Time Warner	81.8	86.7*	−5.7
12. Coca-Cola Co.	75.8	68.1	11.3
13. AT&T Co.	69.0	39.8	73.4
14. Unilever U.S.	64.5	60.0	7.5
15. Grand Metropolitan	58.8	75.7	−22.3
Total spot TV spending	$9,293.3	$9,030.4	2.9%

Leading advertisers on syndicated TV, millions of dollars

	1990	1989	% change
1. Philip Morris Cos.	$113.8	$106.8	6.6%
2. Procter & Gamble Co.	118.7	82.9	43.2
3. Warner-Lambert Co.	48.4	24.7	96.0
4. Grand Metropolitan	45.8	25.4	80.3
5. Kellogg Co.	45.3	50.7	−10.7
6. Unilever U.S.	42.2	38.9	8.5
7. Nestle Foods Corp.	36.7	33.3	10.2
8. Coca-Cola Co.	34.1	18.4	85.3
9. Johnson & Johnson	33.4	19.1	74.9
10. Bristol-Myers Squibb Co.	32.6	34.3	−5.0
11. McDonald's Corp.	28.0	17.4	60.9
12. General Motors Corp.	27.6	20.7	33.3
13. Time Warner	27.6	13.2*	109.1
14. Wm. Wrigley Jr. Co.	23.3	12.2	91.0
15. Mars Inc.	23.0	22.3	3.1
Total syndicated TV spending	$1,587.6	$1,286.7	23.4%

Leading advertisers on cable TV networks, millions of dollars

	1990	1989	% change
1. Procter & Gamble Co.	$57.9	$36.1	60.4%
2. Time Warner	50.9	35.5*	43.4
3. General Mills	27.4	21.3	28.6
4. Anheuser-Busch Cos.	26.8	26.3	1.9
5. Philip Morris Cos.	26.6	20.5	29.8
6. General Motors Corp.	26.0	21.0	23.8
7. RJR Nabisco	21.7	19.1	13.6
8. Sears, Roebuck & Co.	19.8	13.3	48.9
9. AT&T Co.	15.3	6.6	131.8
10. PepsiCo	13.1	9.7	35.1
11. Levi Strauss	12.7	9.5	33.7
12. Eastman Kodak Co.	12.6	10.6	18.9
13. American Home Products Corp.	10.8	10.8	0.0
14. Clorox Co.	10.8	10.5	2.9
15. Mars Inc.	10.4	14.0	−25.7
Total cable network TV spending	$1,110.2	$952.5	16.7%

* 1989 figure represent combination of Time Inc. and Warner Communications.
Source: LNA/Arbitron Multi-Media Service
Adver'ising Age Graphic: Christine Martin/John Bohorquez

(Continued from Page S-31)

TV? "Daytime. Some dayparts are so boring, depending on the mix of the dayparts you have."
If you weren't buying media, what would you rather be doing? "I'd be a travel agent and do a lot of traveling."
What do you expect for unit costs and CPMs in spot TV? No change. "They should stay the same until the second quarter of '92 with the Olympics and elections. But if the recession ends, an increase [of 1% to 2%] might hit in the fourth quarter of '91."
What do you expect for the upfront season? "We're busy, but I don't anticipate huge [price] jumps. . . . A lot depends on the accounts you have at the time. One category that's still active is automotive, for example, despite the cutbacks."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? Yes: "The last few years we've had more weight."
Is the TV audience measurement issue going to be hot or cold? Cold
Is the audience guarantee issue going to be hot or cold? "There's an understanding between buyers and sellers that any big variations are taken care of in-flight. There's no written guarantee—you either accept it, or you don't. If there's fall-off you expect compensation."
What's the most important issue for spot TV? Ad costs: "All clients are concerned with that now."
Which local station do you feel is the one to watch this year? "It's hard to say. It really depends on the strength of the local news."
What type of program is your personal favorite? "Sitcoms, but I'm very picky."
What show do you stay home to watch? "Murphy Brown"
What show do you regularly videotape? Movies, but no regular series.
What show do you wish hadn't been canceled? "Barney Miller"
What is your current favorite show? "Murphy Brown"
Characterize the quality of the average local spot show: "The stations that have the great news operations are usually the great ones locally. The problem is, there's a big difference between programming in a market like New York and a market like Utica."

—Alicia Lasek

LET'S BE UPFRONT

Robert Ward, director of advertising services, Miller Brewing Co.

Spot selection: "We renewed all our major sports properties [baseball and professional basketball and football] and locked up multiyear deals on each of those properties at pricing we thought was favorable. Obviously the networks thought it was favorable to them.

"But I think audience guarantees will continue to be a vital component of the marketplace."

More bang for the bucks: "There are perhaps better opportunities to get value out of your relationship with the networks than simply squeezing every last 5¢ out of them and playing the scatter market. We're seeing really positive signs of the networks becoming more like marketers; a recent example would be a program we've initiated with NBC where Miller Lite was featured within the promotional announcements NBC runs for its prime-time lineup.

"That kind of partnership is something that the networks [have been slow in coming up with,] but I think the opportunity has arrived. It's not just simply who can sell it for the lowest price," but who offers creative ways to develop value-added packages to stretch the money spent, he says.

—Laurie Freeman

BY THE BUY: SPOT

Name: Dorothy Swerdlick
Title, agency: VP-director of spot TV broadcast, Saatchi & Saatchi Advertising, New York
Years in current position: 3
Years in media department: 16
How did you wind up buying TV? "I started in what was called billing and estimating at the time and then moved into the media department, working on one account doing budgets and allocations. Sixteen years ago, there was an opportunity to move into [TV buying]. It seemed interesting, and there was more growth potential."

Dorothy Swerdlick

What do you like most about buying TV? "It's a very complicated arena. It's constantly changing one way or another; there's always a new nuance. And I'm a people person, so I like that aspect of it."
What do you like least about buying TV? "There's nothing about it I don't like."
If you weren't buying media, what would you rather be doing? "Sitting on the beach in the Bahamas or winning the lottery and traveling around the world."
What do you expect for unit costs and CPMs in spot? "It depends on the market. The East Coast is hurting now; the West Coast isn't. It depends on what will happen with the economy. Even if unit costs do vary, CPMs won't necessarily correlate. There's no way to predict [percent changes in costs and CPMs] now."
What do you expect for the upfront season? "If [the economy] continues this way, it will be soft. We're in a recession [and] advertising dollars are at a premium, so it will go back to the individual marketplace. Whether you're doing long-term buying or short flights, it's going to depend on the marketplace."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? Yes
Is the audience guarantee issue going to be hot or cold? "In the local area, it's more or less a gentlemen's agreement."
Is the TV audience measurement issue going to be hot or cold? Cold
What's the most important issue for spot? "Being able to zero in on a program's reach. There's not a lot of research available."
Which local station is the one to watch this year? "The markets I deal with are all very complicated right now. Everyone's trying to do their best."
What's type of program is your personal favorite? "I'll merrily say sitcoms."
What shows do you regularly videotape? "L.A. Law"
What shows do you wish hadn't been canceled? "St. Elsewhere" and "Working It Out"
What is your current favorite broadcast show? "L.A. Law"

—Alicia Lasek

BY THE BUY: CABLE

Name: Stuart Shlossman
Title, agency: senior VP-associate director of national broadcast, BBDO Worldwide, New York
Years in current position: 4
Years in media department: More than 6
How did you wind up buying TV? "I worked at SSC&B [now part of Lintas:Worldwide] in media planning, and an opportunity came up to move to network buying.

"I took advantage of it. I'm personally very results-oriented: In buying, you can take the theory and make it reality. In planning, you put the theory on a flow chart."

Stuart Shlossman

What do you like most about buying TV? "The medium offers a lot of opportunities for creativity, whether it's promotions or a contest. . . . I also enjoy the process of negotiating, which is what we all live for."
What do you like least about buying TV? "The amount of paperwork and follow-up involved. If you spend $1 million on cable, you have some instances where you're talking 2,000 units. You have to track and analyze all those units. It takes a lot of manpower."
If you weren't buying media, what would you rather be doing? "I'd like to be in the marketing department of an advertiser. In marketing, you get to look at the bigger picture."
What do you expect for unit costs and CPMs in cable? CPMs will stay constant, while unit costs will go up 5% to 10%. "Cable's still growing. With remote control, cable has less of that 'that's not real television' attitude. Viewing levels will continue to increase, and that will drive up unit costs."
What do you expect for the upfront season? "Business as usual. Last year, things were fairly orderly. We were happy with most of the deals we cut, and we're happy with the relationships we have with most of the cable network management."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? "No. The over-the-air networks aren't in the same position of strength as last year. I think their pricing will be more reasonable. There may not be the same rush to take money out of network and put it into cable.

"Last year, cable and Fox [Broadcasting Co.] benefited from the [networks'] aggressive attitude. If the networks are more reasonable in their pricing, it may be difficult for Fox and cable to maintain the same level of growth."
Is the TV audience measurement issue going to be hot or cold? "It depends from whose side. From the media's side it will always be hot. It's like the weather; we can't do anything about it until somebody shows us something better. We have to live with it."
Is the audience guarantee issue going to be hot or cold? "Cold. It's not an issue."
What's the most important issue for cable? Filling the demand for value-added benefits. "We're looking for the extra value, that extra hook that will convey the client's message more than a 30-second commercial. Value-added is the buzz word now."
Which cable network is the one to watch this year? "The cable network in the strongest position is probably ESPN. It's also in the most difficult position because of the burden of its baseball contract."
What type of program is your personal favorite? Sports
What shows do you stay home to watch? "MTV Unplugged": "I consider that 'appointment television.' "
What shows do you regularly videotape? Occasionally "Sesame Street"—"Not for myself, by the way"—and "Entertainment Tonight" to stay current with the entertainment industry.
What show do you wish hadn't been canceled? "Hill Street Blues"
What is your current favorite cable show? "MTV Unplugged"
Characterize the quality of the average cable show: ' There is no average cable show."

—*Alicia Lasek*

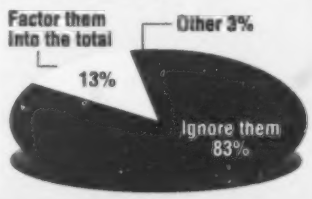
Network viewership shell game turns up empty

Last year the Big 3 broadcast networks were grasping at anything to counteract continuing Nielsen Media Research reports of declining TV viewership.

Suddenly the networks started to tout masses of undercounted college TV viewers, lunchtime snackers, tavern samplers–almost any out-of-home TV watching–as part of the reason the numbers were falling.

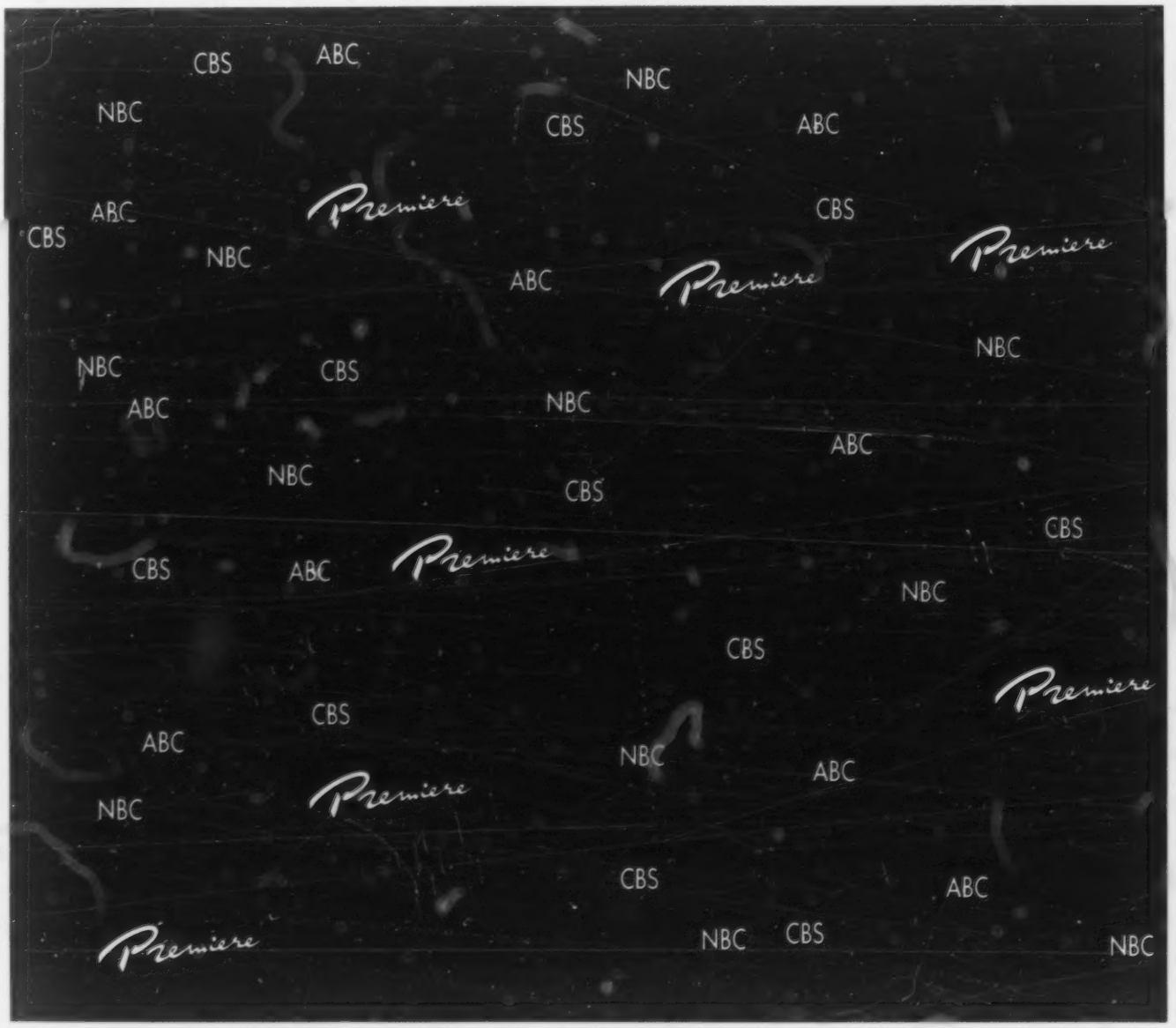
Did buyers buy the networks' line?

How do you react to "out of home" unmeasured viewers? (Percentage of survey respondents)



Source: Bruskin Associates

Advertising Age/Electronic Media graph: Holly Seguine



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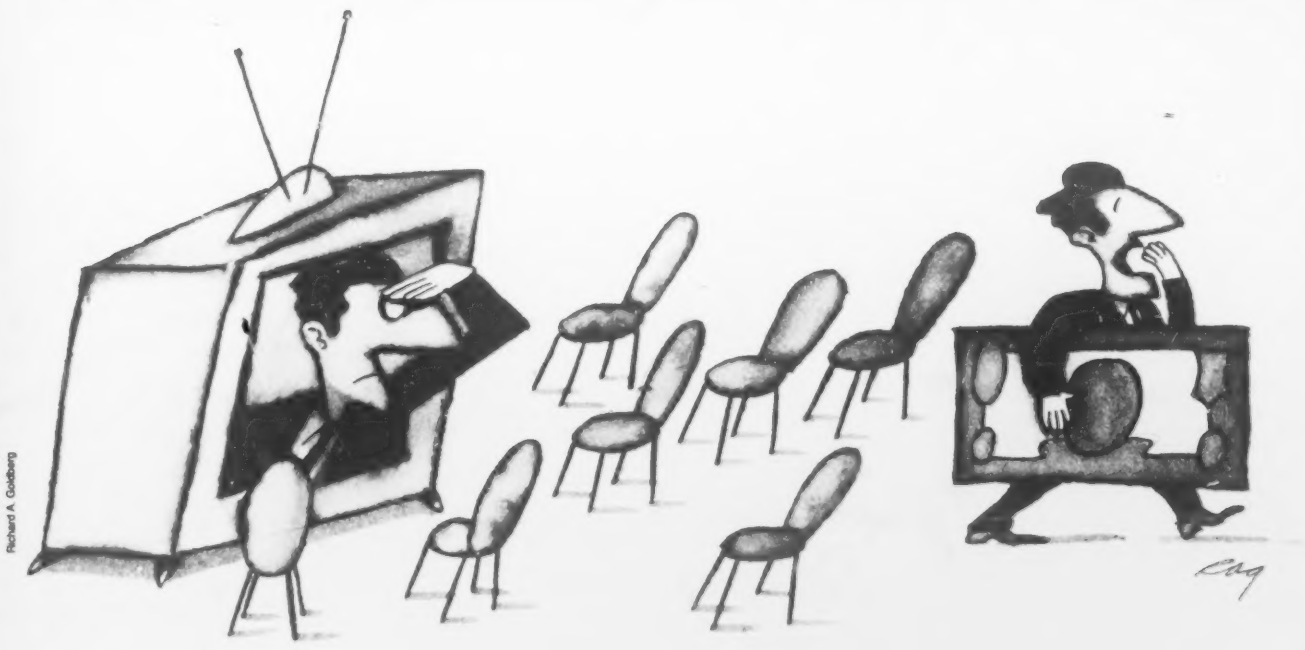


Back in the plus column

The once-touchy subject of audience measurement cools off as the networks say it in a word to advertisers: 'Guaranteed'

By Joe Mandese

The Big 3 TV networks are unhappy with Nielsen Media Research's ratings--unhappy enough to request a study of Nielsen's methods.

But one factor undermines their power to pass their dissatisfaction to advertisers: the lackluster sales environment.

"The key thing for the networks this year is . . . to try and secure contracts and advertiser confidence," says Richard Kostyra, exec VP-U.S. director of media services, J. Walter Thompson USA, New York.

According to a Bruskin Associates survey of advertiser and agency media executives commissioned by *Advertising Age* and *Electronic Media*, 92% say they consider the current network TV audience measurement system to be reliable.

The survey also found audience measurement ranked last among four issues as the one respondents feel TV media sellers should address first.

These findings illustrate how the issue that infuriated buyers in last year's upfront season—the Big 3's proposal to adjust viewership guarantees—is now comatose, if not dead.

"I can't even imagine the networks trying to do anything like [asking for adjusted guarantees] this year," Mr. Kostyra says.

"It's not even a discussion point this year," says Aaron Cohen, senior VP-executive media director, N W Ayer, New York.

The networks implemented a controversial viewer-counting formula in last year's upfront season to protect themselves against what they said were unexplained ratings drops—and thus to reduce their liability for underdelivering audience levels guaranteed to advertisers.

In the first quarter of 1990, Nielsen reported an unusual drop in total TV viewership. The Big 3 combined for a 39.7 rating in this period, down 4% from the first quarter of 1989.

This plunge forced the networks to provide advertisers with millions of dollars in make-good units—free ad time to compensate for shows failing to deliver a projected number of viewers.

However, the networks' decision cost them upwards of $200 million in upfront sales—money that was redirected to alternatives like syndication and cable, which continued to do business with traditional guarantees.

> **"I believe that we continue to have [ratings measurement] problems that were masked by the increases from the Persian Gulf War."**

Fox Broadcasting Co. also provided normal guarantees and sold $550 million of inventory last upfront season, almost twice its 1989 upfront tally.

What's more, the bargains in today's scatter market have diverted the attention of buyers away from the potentially sticky issue of audience measurement. The traditional ratings guarantees given to some scatter buyers making large purchases emphasized the weakness of the modified upfront guarantee.

According to the *Advertising Age/Electronic Media* survey, 30% of network TV buyers say the Big 3 networks' attempts to revise guarantees caused them to either decrease their network TV budgets or shift some of them into scatter or other alternatives.

To avoid driving business to more advertiser-friendly alternatives in this soft marketplace, the Big 3 will return to traditional sales guarantees for 1991-92 deals.

"We're in the customer satisfaction business," says Pier Mapes, NBC network president.

But these customers don't agree with the networks' claims of problems with the ratings systems.

"The first quarter of 1990 was basically an aberration," concludes Steve Sternberg, VP-manager of broadcast research, Bozell, New York. "Nielsen has not found anything wrong with its methodology."

In fact, total TV viewership is up this season, in part as a result of high viewership of Persian Gulf War coverage.

Ironically, much of that viewing has benefited network alternatives like Cable News Network, and the Big 3's prime-time ratings this season were off about 6% from the previous season.

Still, the networks emphasize that they're not happy with Nielsen's ratings.

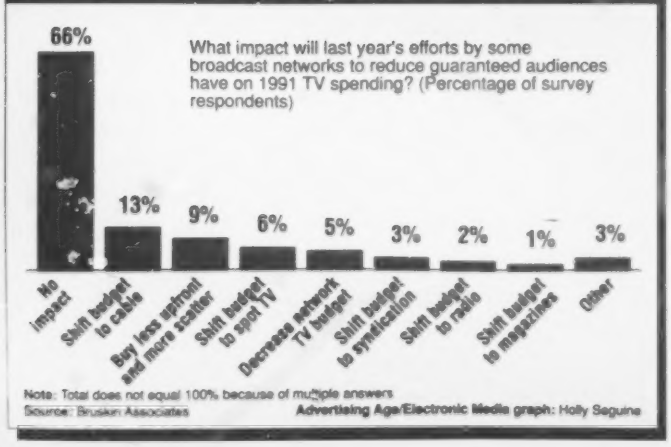
Given the intensity of the public's interest in Persian Gulf War programming, the number of households using televisions actually should have been higher rather than even with the viewing level last season, says David Poltrack, VP-planning and research at CBS.

"I believe that we continue to have [ratings measurement] problems that were masked by the increases from the Persian Gulf War," he says.

The networks, along with the National Association of Broadcasters, last month launched a three-year study on the accuracy of Nielsen's TV ratings. This research will involve some type of coincidental study for comparative purposes, such as a telephone survey and the testing of new research methods.

"We're going to continue to challenge the accuracy of our audience estimates," Mr. Mapes says. □

It's guaranteed: Nets get burnt by audience issue



Note: Total does not equal 100% because of multiple answers
Source: Bruskin Associates
Advertising Age/Electronic Media graph: Holly Segure

Hey kids! Sit still for a minute

Kids can be such a pain.

TV network researchers insist major audience measurement problems exist in quantifying younger viewers.

"It's no secret that there is some concern about whether kids are pushing the [people-meter] buttons," says Bob Niles, VP-research at NBC. "We've seen signs of kids, teens and young adults where the largest discrepancy is."

Although TV audiences for most demographic groups are up this year, children's viewership is down. For the 1990-91 TV season, the Big 3's combined Saturday morning rating for kids ages 2 to 11 fell to 18—down 16% from the previous season—despite the fact household viewing levels are up slightly in the daypart.

Although agency representatives and the TV networks disagree on the overall validity of Nielsen Media Research's numbers—and although these numbers haven't affected this daypart's spending levels and demand for ad time—they agree Nielsen must re-evaluate its approach to measuring and reporting children's TV viewing.

Children's viewing levels have been inconsistent from quarter to quarter, suggesting some instability in the data, says Jon Swallen, VP-associate director of research, OgilVy & Mather, New York.

"One quarter they're down 10% [from the same period in the previous year] and the next they are flat. Then the next quarter they're down 10% again. There is no consistency, but how much is the ratings system and how much is real we don't know," he says.

Nielsen has gone to lengths to trouble-shoot the problem. When children's viewing levels change dramatically within sample households, for example, Nielsen staffers contact the home to learn why. However, Nielsen is loath to have too much contact with its sample participants, because it is concerned doing so might affect normal viewing patterns.

"We want to measure TV viewing in the least intrusive way possible," says Jack Loftus, VP-communications for Nielsen.

He says clients have suggested the research company increase incentives to children such as toys, T-shirts and money to get them to use the people meters more effectively.

"We don't want to pay for performance, because we don't want to influence their behavior," explains Mr. Loftus.

He admits there's no easy solution on the horizon.

"We don't think there is any quick fix to research problems associated with children's [viewership] measurement," Mr. Loftus says.

—Joe Mandese

NOTE

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LAST MINUTE NEWS

Rosenfeld exits to form new company

NEW YORK—Ron Rosenfeld, 58, co-chairman and co-creative director at Rosenfeld, Sirowitz, Humphrey & Strauss, is leaving to start a "creative communications company." Co-chairman Len Sirowitz said no changes will be made at the agency in the wake of Mr. Rosenfeld's departure.

CBS asks $850,000 for Super Bowl :30

NEW YORK—CBS is seeking a 30-second unit rate of $850,000 for Super Bowl XXVI, up 6.3% from ABC's $800,000 Super Bowl XXV rate, agency buyers said. Several advertisers, including Anheuser-Busch and Nike, have already placed time in the game as part of early packages, but the market isn't expected to heat up until August.

A-B's Fruit to take major Coke post

ST. LOUIS—Charles B. Fruit will resign as president of Anheuser-Busch's Busch Media Group unit to join Coca-

(Continued on Page 8)

Time Warner deal set

Martha Stewart pact to include magazine, TV, video

By Scott Donaton

NEW YORK—Time Warner is close to signing a 10-year contract with home entertainment maven Martha Stewart that includes the rollout of *Martha Stewart Living* as well as broadcast TV, book and video projects.

The deal marks one of the most ambitious attempts to exploit the combined resources of Time Inc. and Warner Communications since the companies merged in 1989.

"There's been such a fundamental change in the way advertising is sold," said one Time Warner source. "If you can't offer advertisers a menu of properties and resources, I don't think you're going to stay on their list."

Time Warner executives wouldn't comment on the 10-year deal.

The media giant has increasingly tried to develop synergies among its vast array of properties, in part to secure a greater share of advertisers' declining budgets. But few of the deals to date have approached the size and scope of the Martha Stewart project.

Martha Stewart Living is being developed by Time Publishing Ventures, a Time Inc. Magazine Co. division. The home entertainment guru fits into Time Publishing Ventures' strategy of tapping into the perceived return of family- and home-oriented values among aging baby-boomers.

The project "does a lot more in demonstrating what Time Warner can do, what they're capable of," said Paul DuCharme, VP-director of print media at Grey Advertising.

The magazine launch follows the publication of two test issues of the upscale women's lifestyle/how-to title. The

(Continued on Page 54)

Doug Gruehan

4A'S MEETING

Four A's President John O'Toole with newly elected Chairman Alex Kroll and new Vice Chairman Bob James at West Virginia's Greenbrier Hotel.

4A's swerves as shops face troubled times

By Jon Lafayette

WHITE SULPHUR SPRINGS, W.Va.—The American Association of Advertising Agencies appears to be changing direction, again, as executives searching for solutions to their mounting problems gathered at one of the group's smallest—and dullest—annual meetings in memory.

There are strong signs the industry is unclear whether it wants to go full-force toward the "new advertising" of integrated marketing or return to the "old advertising" of emphasizing creative media advertising.

Young & Rubicam Chairman Alex Kroll, who succeeded DDB Needham Worldwide Chairman Keith Reinhard last week as chairman of the Four A's, seems to be interested in promoting the value of creative "icons" rather than pushing integrated marketing, which has been emphasized over the past year.

"Well-organized communications that revolve around a central strategy are most efficient," Mr. Kroll said. But at the center

(Continued on Page 4)

■ More Four A's meeting coverage, pictures—Page 4.
■ Excerpt from Martin Mayer's new book on advertising—Page 3.

Persistent auto slump stalls ads

By Raymond Serafin and Cleveland Horton

The auto sales slump has dimmed hopes for any significant comeback in automotive ad spending in the second half.

Last week, the pessimistic outlook led two General Motors Corp. agencies to reduce staffs.

Lintas:Campbell-Ewald, which handles about $400 million in GM business, mainly Chevrolet, laid off 71 people, about 11% of the Warren, Mich.-based agency's staff. N W Ayer, Detroit, which services the estimated $40 million corporate image account, released three people, or 10% of its staff.

Media buying sources at GM agencies say category spending in the network TV upfront market is expected to be down sharply this year, despite unusual early activity by some of the imports *(see story on Page 3)*.

While GM has yet to negotiate any new 1991-92 network deals, agency Leo Burnett USA, Chicago, is negotiating with NBC on modifications in its multiyear deal, which is estimated at about $140 million for 1991-92.

Top auto executives now forecast only a modest rebound, at best, in the second half.

Agency sources say overall 1991 GM ad spending on all media will probably come in at about $200 million, or 14%, under 1990, when the company spent an estimated $1.4 billion on advertising.

While GM divisions are honoring previously made commitments, all other ad programs are being scrutinized closely, with the emphasis on maintaining flexibility and funding for new-product launches, agency sources say.

Lintas:Campbell-Ewald was hit hard, with sources projecting agency billings will fall $80 million, or 20%, from the estimated $400 million it handled last year for Chevrolet and smaller GM units such as GMAC, Delco and AC-Delco.

"The second half looks like it's going to be a lot like the first half," said Richard O'Connor, agency chairman-ceo, who blamed the layoffs on "across-the-board client budget reductions." Mr. O'Connor didn't specifically discuss GM spending, but it's believed GM accounted for about 85% of agency billings last year.

Sources say Lintas:Campbell-Ewald unsuccessfully tried to convince GM to increase agency compensation to make up for the decline in billings.

GM, which reported a first-quarter operating loss of $1.16 billion and a net loss of $376.5 million, was said to be unreceptive to guaranteeing levels of rev-

(Continued on Page 54)

INSIDE

200 Brands: Top brands boost media spending 10.7% in 1990. **Page 19**

Special Report: Direct-response shops beat recession. **Page 31**

BUSINESS DIRECT RESPONSE REPORT
U.S. POSTAGE PAID
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NEWS SUMMARY

■ **Time Warner** and Martha Stewart are expected to sign a contract to feature the home entertainment expert across a wide range of the company's resources, including magazines, broadcast TV, books and video projects. 1

■ **Auto ad spending** isn't expected to improve in the second half of the year as car sales continue in a slump. 1

■ **Ad agency executives** at the Four A's annual meeting pondered future marketing roles for agencies. 1

■ **Pre-upfront** buying activity for the next network TV season is heavy, stimulated by deals that are 5% to 10% below last year's cost-per-thousand levels. 3

■ **Food & Drug Administration** last week began its move against food labels with cholesterol claims. 3

■ **Airlines** battling for leadership as global carriers—American Airlines, British Airways and United Airlines—have begun heavy marketing of their North Atlantic routes. 3

■ **Haircare marketers** are restaging a number of brands this summer, rather than launching new products. 10

■ **Subaru of America** selected six finalists in its search for an agency to succeed Levine, Huntley, Vick & Beaver. Presentations will be made the week of June 10. 10

■ **CBS and NBC** will use promotions at malls, college campuses and comedy clubs to promote their TV programming. 12

■ **Yellow Pages** Publishers Association will test its Brand-Sell concept offering directories as direct-response tools. 12

■ **Walt Disney Co.'s** Buena Vista Home Video will begin its largest marketing effort for animated videos next month. 16

■ **TV home shopping** is expected to show continued strong growth despite the declining number of networks. 17

■ **Film marketers** Eastman Kodak, Polaroid and Fuji have major spring selling efforts planned. 18

■ **Top 200 brands** invested $15.6 billion in media advertising in 1990, up 10.7%. 19

■ **Ads Against AIDS,** an ad-hoc group formed by a number of agency executives, is holding a competition to select ads warning of the threat of AIDS. 24

■ **Checkout Channel,** an in-store TV service from Actmedia and Turner Broadcasting System, is expected to start a national rollout in October. 40

■ **A.C. Nielsen Co.** is adding the tracking of print media to its ScanTrack panel. 42

■ **European Community's** proposal to ban all tobacco advertising in the 12 member countries may lead to further ad bans and restrictions, critics charged. 53

■ **Bozell** lodged a formal complaint after the Florida State Lottery selected Earle Palmer Brown Cos. to succeed a Bozell unit on the $25 million account. 53

■ **Bubble-making toys** from Hasbro, Mattel and others are hot items this spring. 58

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Japanese accent

Dai-Ichi Kikaku buys 20% of Bloom FCA

By David Kilburn and Bruce Crumley

France's Groupe FCA and Japan's Dai-Ichi Kikaku are joining forces in the U.S.

DIK, Japan's No. 7 shop with links to Omnicom Group, has bought 20% of Bloom FCA, New York, from the French agency, ranked No. 14 in its home country. FCA in February bought 100% of the U.S. agency.

"This deal is purely for the U.S.," said a DIK executive in Tokyo, where the agency is based. A link with FCA in Europe "might be possible, but . . . we haven't decided anything."

It couldn't be determined how much DIK paid for its stake.

Philippe Calleux, Groupe FCA chairman, said the deal "will allow us to accommodate Japanese clients in the U.S., as well as introduce them to the FCA network that they may one day be using in Europe.

"Secondly, we have a [Japanese] partner with a presence throughout the Far East for our American and European clients. So we expect the traffic to flow in both ways, though our growth in America is certainly one of our greatest priorities today."

Neither the French nor the Japanese executives would say which clients have expressed interest in using Bloom FCA.

GLOBAL NEWS

Mr. Calleux did say, however, that "I will tell you that among FCA's international clients, Helena Rubenstein is looking at this new structure with interest."

Other FCA multinational clients include Nestle, BSN Group, L'Oreal and Trans World Airlines. DIK clients include Kao Corp., Mitsubishi Motor Co., Suntory, Toshiba Corp. and Shiseido Co.

"We are not concerned about any client conflicts [between] Bloom FCA and DIK," said Marion Flores, Bloom FCA chief financial officer. "There are no conflicts."

DIK already has links to the U.S., owning 2.4% of New York-based Omnicom; 50% of Kresser/-Craig, Santa Monica, Calif.; and 4.7% of Mickelberry Corp., New York, which owns Partners & Shevack and Chicago agency Bender Browning Dolby & Sanderson.

Both the DIK executive and John Bernbach, president of DDB Needham Worldwide, said their ties, which are outside the U.S., aren't affected by the Bloom FCA deal.

"I don't see any reason why it would," Mr. Bernbach said.

The DIK executive said, "We have a joint venture with DDB Needham in Tokyo, Hong Kong, Singapore, Malaysia and [South] Korea. This is not going to change."

However, he said his agency has had difficulty bringing clients to DDB Needham in the U.S. because of conflicts.

FCA also has a working relationship with Hakuhodo, Japan's No. 2 agency, to jointly handle Mazda Motor Corp.'s European account. Though sources say the two shops once discussed a more formal link, Hakuhodo said the new deal doesn't change the status of its relationship with FCA. □

Julie Skur Hill contributed to this story.

RJR shops ponder Winston

By Judann Dagnoli

R.J. Reynolds Tobacco Co. is using quantity to get more quality into its ailing Winston brand.

RJR has approached all three of its major shops, including agency of record FCB/Leber Katz Partners, for input on new "quality" projects for Winston. New packaging to retain freshness is believed to be included.

Besides New York-based Leber Katz, RJR is using both Camel agency Young & Rubicam and Trone Advertising, Greensboro, N.C., for the projects, which the company wouldn't disclose.

Maura Payne, RJR manager of external relations, said the additional agency input doesn't mean Leber Katz is in trouble on the account, which had $18 million in billings last year.

"FCB remains our agency of record," she said.

"Winston is such an important project for their success that they have brought all their agencies together for help on a particular project," said Bob Hirsch, senior exec VP-director of client services, Leber Katz. "We have been assured . . . that this is not a precursor to an agency review or agency change."

Leber Katz, which also handles Salem and Vantage, picked up the Winston account in July 1989 from McCann-Erickson Worldwide, New York.

it's clear RJR is sticking with its quality positioning, which has drawn mixed reactions.

RJR has a history of asking its agencies of record to implement ideas created by Trone, which came up with the "Smooth character" campaign for Camel while that account was at McCann.

That effort is regarded by many as one of the most successful and innovative cigarette campaigns of the past decade, boosting the brand's share to 4.4% in 1990 from 3.9% a year earlier, according to Wheat, First Securities analyst John C. Maxwell Jr.

A source close to the new Winston projects said the work isn't strictly related to advertising and includes intensive, long-term marketing initiatives.

Ms. Payne's only comment: "We've been reviewing the positioning of Winston to make it a quality cigarette with better cuts of tobacco. . . . Now, we're taking that same review to marketing, and there are some projects coming."

It's clear, however, that RJR is sticking with its quality positioning, which has drawn mixed reactions from observers.

Kidder, Peabody & Co. analyst Roy Burry praised the quality effort but said, "There's no indication that the campaign is working" to increase share.

Mr. Burry said RJR's cigarette volume was down 12% in units in the first quarter of 1991.

Winston had an 8.8% share in 1990, Mr. Maxwell said, down from 9.1% a year earlier. □

Sensor turns to direct marketing

By Alison Fahey and Michael Burgi

Gillette Co., after saturating the TV marketplace with spots for its Sensor shaving system, is turning to target marketing with an $8 million national campaign.

The first-ever direct marketing effort for Sensor starts late this month and includes coupons mailed to 5 million men, product samples mailed to users of competitive products and free standing inserts.

It's the biggest direct marketing campaign for any Gillette shaving product in "a number of years," said Bruce Cleverly, VP-marketing, blades and razors, Gillette North Atlantic Group. Rapp Collins Marcoa, New York, handles.

"Historically, we've depended on a broad-reach medium such as television to reach them," Mr. Cleverly said. "Direct marketing has never played a major role in the evolution of our franchise. Now we're paying attention to it."

Mr. Cleverly said the effort, which will complement Sensor's ongoing mass-media campaign, had been planned since Sensor's January 1990 launch but that supply shortages delayed it.

The first mailing to 5 million men will include coupons worth either $2 or $3 off the system, which includes a Sensor razor and three cartridges. The product retails for about $3.75.

That will be followed by a mailing of 400,000 Sensor razors to men who use competitive wet razors, in hopes of converting them. A $1-off coupon for a five- or 10-pack of cartridges is included.

On June 2 and June 9, Gillette will run FSIs featuring a $2 coupon for Sensor. The FSIs, created by BBDO Worldwide, have a combined circulation of 50 million households and are themed for Father's Day. □

Dismal fourth quarter partly masked by the full-year numbers in AA's regular check of top advertised brands

THE TOP 200 BRANDS

Spending up 10.7%, but cracks start to show

By R. Craig Endicott

Despite an eclipse in fourth-quarter spending, media advertising by the nation's 200 largest advertised brands grew 10.7% in 1990, according to *Advertising Age's* Top 200 Brands listing.

AT&T telephone services finished the year as the top advertised brand at $502.3 million, up 41.7% over 1989 as it focused on its long-distance business, which grew 110% to $289.9 million.

McDonald's restaurants, the leader in 1989, was runner-up at $426 million, down 0.5%. AT&T sprinted past McDonald's in the first quarter never to relinquish its lead in each succeeding quarterly listing.

The Top 200 flexed its collective muscles in 1990, claiming $15.6 billion in media, up 10.7% from $14.1 billion in 1989, to grab a 37.9% share of the total U.S. media pie. In 1989, the Top 200's share was 35.9%.

Advertising in media for all brands grew only 4.9% in 1990 to $41.1 billion.

But dark clouds were stirring. Full-year data mask a dismal fourth quarter for the Top 200. Their quarterly spending in newspapers, network TV, spot TV and network radio declined 1.3%, 1.6%, 0.5%, and 6.3%, respectively, compared with the same period in 1989. There were no media declines on a year-to-year basis. Overall, Top 200 spending rose only 0.5% to $4.25 billion in the closing quarter.

Woes drag into 1991

That year-end slump extended into the first quarter of 1991. Preliminary figures show a 4.5% decline in media spending compared with first quarter 1990 for all brands, according to the McCann-Erickson General Index of national advertising (AA, May 6).

Ad totals in this report are for 10 media provided by LNA/Arbitron Multi-Media Service and mark the first time spot radio has been included.

A "brand" is every product or service marketed under the same name. A brand's ad total can cross LNA/Arbitron-designated subclasses, but brand ad totals in this ranking include only amounts from those subclasses where spending exceeded $2 million.

Except in network and spot radio, media expenditures for the Top 200 grew at a much faster clip than spending by all brands. Network TV, the Top 200's lead medium, grew 12.8% to $6.2 billion in 1990 compared with 6% growth in spending by all network TV advertisers. The Top 200 contributed 61.4% of total network TV spending, up from 57.3% in 1989.

The elite group infused $3.2 billion into spot TV, up 8.4%, compared with $9.3 billion for all brands, up only 2.9%. The Top 200's showing in spot represented 34% of all spending in the medium, up from 32.2%.

The Top 200 showed less growth and clout in the two other mega-media categories, newspapers and consumer magazines.

Newspapers pulled $2.1 billion from the Top 200, up 3.8%. All newspaper advertising grew only 1.7% to $9.7 billion. The Top 200 claimed a 21.3% share of that total, up from 20.9% in 1989.

The Top 200 spent $2.02 billion in consumer magazines, advancing 2.7%, compared with 2.2% growth to $6.7 billion from all advertisers. The Top 200's share of total magazine spending was 30%, up from 29.9%.

General Motors Corp. claimed brand parent honors in backing its eight brands on the list with $1.03 billion, up 13.5%. It overtook runner-up Philip Morris Cos. in the fourth quarter. Philip Morris finished with $816.6 million from nine brands, up 9.3%. GM relied heavily on network TV, claiming one-tenth of the Top 200's expenditures in that medium.

The auto category dominated the Top 200 with $3.4 billion for the year, up 13.8%. Half the category total was in network TV, which grew 20.5% in volume in 1990. Only consumer magazines showed a decline in auto category spending, down 0.4% to $715.6 million.

Growth in the 29-brand auto segment came largely from the Japanese. Eight Japanese brands contributed 52.4% of the $414.1 million in new ad dollars spent by the category in 1990 over the prior year.

The retail category, consisting of 23 brands, grew 6.3% for the year to $1.88 billion. Its leading spender, No. 3 Sears stores, increased its advertising only 1.8% to $421.6 million. Even with the minimal ad growth registered by most retailers, only four brands logged year-to-year declines in advertising.

Newspaper spending by these retailers increased 2% to $958 million, representing 50.4% of the category total. Retailers appear to have diverted spot TV dollars into network TV, the latter rising to $278.4 million, up 24%, while the former flattened out at $358.8 million, up only 1.8%.

Advertising from the 18-brand food category grew 7.9% to $1.55 billion, led by No. 4 Kellogg's breakfast foods at $379.7 million, down 4.6%. The category got its strongest boost from Kraft foods, No. 10, which pumped 22.2% more ad dollars into media in 1990 than in 1989.

The definite media bias of the food category was TV (network, spot, syndication, cable), which accounted for 90% of the category's total spending, up from 88% of the total in 1989. Network TV grabbed $822.9 million, up only 1%, while spot collected $282.3 million, up 26%.

The restaurant category grew 5.8% to $1.23 billion, although ad volume leader McDonald's skidded to a narrow decline as did No. 134 Hardee's restaurants, No. 28 Kentucky Fried Chicken restaurants and No. 48 Wendy's restaurants. Taco Bell restaurants, No. 56, outgrew the rest with a 24% gain.

Entertainment and media proved one of the brighter spots. There were no year-to-year declines in spending as the 15-brand category grew 17.9% to $1.11 billion for the year. No. 27 Warner books, movies and video led the pack with $122 million, up 14.2%.

Toys, new to the full-year list, owed its presence to final-quarter spending. The category's five brands rose only 0.2% from the prior year.

But for No. 141 Tyco toys, the category's fourth-quarter ad volume would have declined from the prior year. Tyco, up 51% in that period to $26.3 million, carried the category's quarterly spending to a 6% gain. The quarter accounted for 58% of the category's 1990 expenditures.

Fourth-quarter blues

While the auto category advanced 6.8% to $984.9 million, spending from 13 auto brands declined in the fourth quarter.

Ten of those brands were foreign, including six Japanese brands. This left GM largely responsible for the increase. GM poured $353.6 million in advertising into the media, up 13.8%. Only Pontiac cars and vans had lower spending among its brands in the fourth quarter than in the prior-year period.

Retail advertising dried up in the fourth quarter as the category declined 2.4% to $592.9 million. Eleven of 23 retail brands spent less than in the prior-year period. Department stores dropped a collective 10.2% while the remaining brands grew by 0.04%.

Half of the 18 food brands experienced fourth-quarter declines as category advertising dropped 1.5% to $371.7 million. Media backing for Kellogg's breakfast foods plunged 21.6% while media support behind Kraft foods dropped 46%. Kraft still had the category's biggest year-to-year gain. The quarter is traditionally a strong one for food advertising.

The 10-brand restaurant category declined 3.7% in media advertising to $281.3 million in the quarter. McDonald's 18.9% slippage created the overall decline. Without McDonald's the category would have grown 5.3%. Lest McDonald's be overly singled out, three other restaurant brands also produced quarterly declines, while three more increased spending by less than 3% each.

Final-quarter spending for airline brands was a great deal slower than full year, where eight brands showed a 4.2% growth to $513.5 million despite the fact that four spent less in 1990 than 1989. Collective growth in the quarter dropped 10.7% to $112.3 million as five shaved their spending from fourth quarter 1989.

Beer, the only major category to spend less in 1990 than in 1989, drew $39 million fewer dollars from its four brands, a 4.1% decline to $508.2 million for the year. Virtually all reduced spending occurred in the fourth quarter, however, when category advertising dropped $32 million from the previous-year level.

While media spending for 47 of the Top 200 dropped for the year, almost twice that number showed fourth-quarter declines. □

Top 10 categories among Top 200 brands in 1990

Rank	Category	Measured ad spending 1990	1989	% chg	Ad spending by media Print	Broadcast	Outdoor	Number of brands
1	Automotive	$3,405.8	$2,991.7	13.8	$872.6	$2,519.6	$13.6	29
2	Retail (non-food)	1,880.0	1,767.8	6.3	1,074.7	804.0	1.3	23
3	Food	1,546.1	1,432.9	7.9	127.3	1,417.4	1.4	18
4	Restaurants	1,229.1	1,161.3	5.8	10.4	1,207.2	11.6	10
5	Entertainment & media	1,110.7	941.9	17.9	394.0	709.3	7.4	15
6	Telephone	741.3	559.6	32.5	165.6	574.3	1.4	6
7	Beverages (non-alcoholic)	664.7	581.3	14.3	42.1	618.4	4.1	8
8	Cosmetics	550.4	459.8	19.7	178.5	371.7	0.2	12
9	Airline	513.5	493.0	4.2	288.1	220.7	4.8	8
10	Beer	508.2	547.0	(7.1)	23.9	473.8	10.5	4

Notes: Dollars are in millions. Totals include only brands from within the Top 200 in 1990. Source: LNA/Arbitron Multi-Media Service.

Top 10 parent cos. of brands in Top 200 for 1990

Rank	Company	Measured ad spending 1990	1989	% chg	Ad spending by media Print	Broadcast	Outdoor	Number of brands
1	General Motors Corp.	$1,033.1	$909.8	13.5	$238.8	$790.5	$3.8	8
2	Philip Morris Cos.	816.6	747.1	9.3	168.9	591.8	55.9	9
3	Sears, Roebuck & Co.	539.3	509.8	5.8	160.8	377.9	0.7	3
4	AT&T Co.	502.3	354.5	41.7	112.9	389.1	0.3	1
5	PepsiCo	462.3	413.5	11.8	10.2	448.9	3.3	4
6	McDonald's Corp.	426.0	428.1	(0.5)	3.9	417.0	5.2	1
7	Toyota Motor Co.	405.2	281.9	43.8	91.5	312.4	1.3	2
8	Ford Motor Co.	405.1	380.1	6.6	132.3	270.8	2.0	2
9	Kellogg Co.	379.7	398.0	(4.6)	8.1	371.6	0.0	1
10	Chrysler Corp.	376.0	346.4	8.5	105.6	269.6	0.8	4

Notes: Dollars are in millions. Totals include only brands from within the Top 200. Source: LNA/Arbitron Multi-Media Service.

Measured media spending in 1990

Rank	Media	Top 200 brands 1990	1989	% chg	All measured brands 1990	1989	% chg
1	Network TV	$6,181.9	$5,477.4	12.8	$10,132.3	$9,559.0	6.0
2	Spot TV	3,149.5	2,906.2	8.4	9,293.3	9,030.4	2.9
3	Newspaper*	2,063.2	1,987.6	3.8	9,679.1	9,514.5	1.7
4	Magazine	2,023.4	1,971.2	2.7	6,737.7	6,594.9	2.2
5	Syndicated TV	856.8	592.5	44.6	1,587.6	1,286.7	23.4
6	Cable TV networks	458.4	353.2	29.8	1,110.2	952.5	16.6
7	National spot radio	363.8	322.5	12.8	1,143.3	889.0	28.6
8	Network radio	357.1	346.4	3.1	766.4	696.2	10.1
9	Outdoor	150.8	137.8	9.4	688.8	705.8	(2.4)
	Subtotal print media	4,086.6	3,958.8	3.2	16,416.7	16,109.4	1.9
	Subtotal broadcast media	11,366.6	9,998.2	13.7	24,032.9	22,413.9	7.2
	Total	15,604.9	14,094.8	10.7	41,138.5	39,229.1	4.9

Notes: Dollars are in millions. * includes newspaper-distributed Sunday magazines. Source: LNA/Arbitron Multi-Media Service.

AA charts: Kevin Brown

Top 200 mega-brands by 1990 ad spending

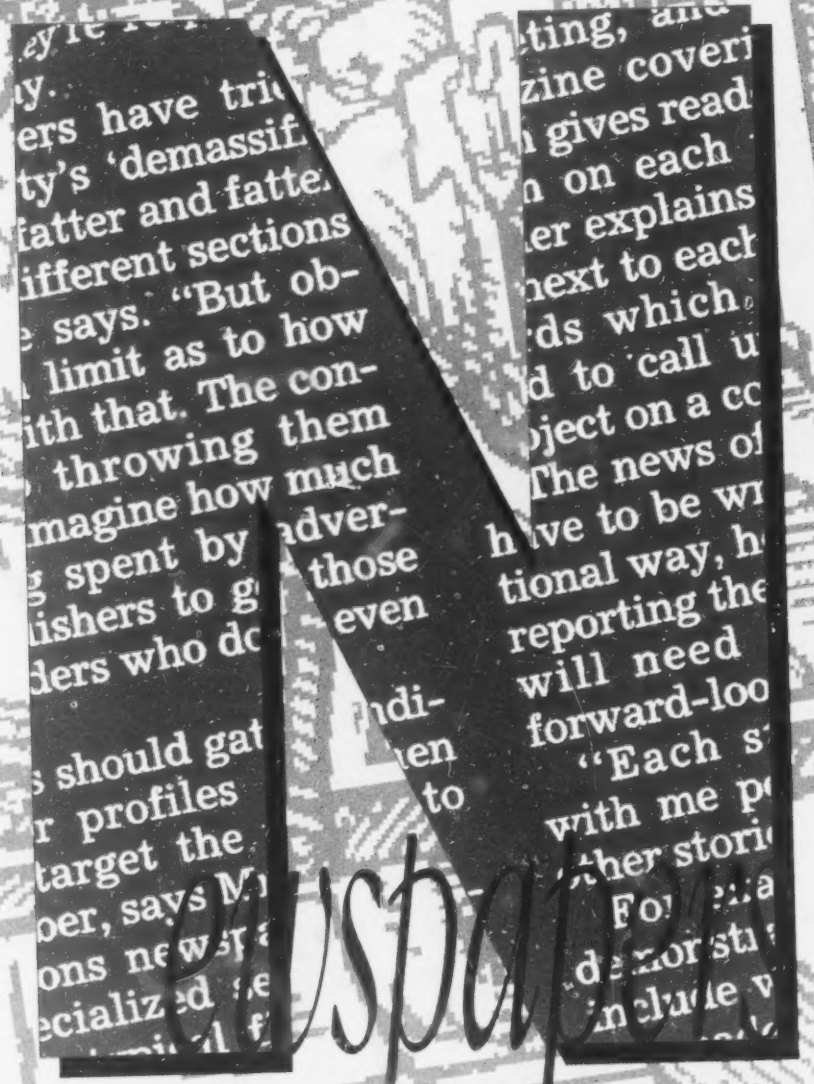
Rank '90	Rank '89	Brand, product, service & parent company	Total measured ad spending 1990	1989	% chg
1	4	**AT&T telephone svcs,** AT&T Co.	$502,261.2	$354,491.2	41.7
2	1	**McDonald's restaurants,** McDonald's Corp.	426,042.3	428,118.2	(0.5)
3	2	**Sears stores,** Sears, Roebuck & Co.	421,566.0	413,926.7	1.8
4	3	**Kellogg's breakfast foods,** Kellogg Co.	379,702.7	397,969.4	(4.6)
5	5	**Ford cars, trucks & vans,** Ford Motor Co.	340,116.4	314,551.2	8.1
6	7	**Toyota cars, trucks & vans,** Toyota Motor Co.	307,298.4	235,829.9	30.3
7	6	**Chevrolet cars,** General Motors Corp.	305,665.1	298,649.8	2.3
8	8	**Nissan cars, trucks & vans,** Nissan Motor Co.	235,906.5	198,215.7	19.0
9	15	**Kmart stores,** Kmart Corp.	191,631.2	151,330.4	26.6
10	14	**Kraft foods,** Philip Morris Cos.	187,739.5	153,678.1	22.2
11	9	**Budweiser beers,** Anheuser-Busch Cos.	184,070.9	190,836.2	(3.5)
12	13	**Miller beers,** Philip Morris Cos.	181,354.4	158,361.6	14.5
13	17	**Mazda cars & trucks,** Mazda Motor Co.	180,976.3	141,176.4	28.2
14	10	**Burger King restaurants,** Grand Metropolitan	177,588.5	175,422.6	1.2
15	22	**General Motors cars,** General Motors Corp.	166,427.6	120,426.8	38.2
16	19	**Coca-Cola soft drinks,** Coca-Cola Co.	159,578.1	137,856.7	15.8
17	24	**Buick cars,** General Motors Corp.	158,684.9	116,802.5	35.9
18	20	**Pepsi beverages,** PepsiCo	155,882.6	134,339.6	16.0
19	29	**Chrysler cars,** Chrysler Corp.	151,117.3	110,535.1	36.7
20	12	**Macy's department stores,** R.H. Macy & Co.	144,850.7	166,773.1	(13.1)
21	16	**Penney's stores,** J.C. Penney Co.	143,134.2	146,570.1	(2.3)
22	11	**American Express financial svcs,** American Express Co.	142,297.0	167,362.8	(15.0)
23	37	**Tylenol remedies,** Johnson & Johnson	134,288.8	97,345.2	38.0
24	25	**Honda cars,** Honda Motor Co.	130,107.0	116,377.8	11.8
25	18	**Dodge cars, trucks & vans,** Chrysler Corp.	128,138.7	140,919.1	(9.1)
26	21	**Oldsmobile cars & vans,** General Motors Corp.	121,889.0	133,614.9	(8.8)
27	31	**Warner books, movies & video,** Time Warner	121,885.1	106,730.1	14.2
28	23	**Kentucky Fried Chicken restaurants,** PepsiCo	118,406.0	118,593.7	(0.2)
29	26	**Wrigley's gums,** Wm. Wrigley Jr. Co.	117,250.5	112,997.3	3.8
30	38	**Disney resorts, ice shows, movies & cable,** Walt Disney Co.	115,931.3	96,546.8	20.1
31	27	**Pontiac cars & vans,** General Motors Corp.	113,682.6	112,477.1	1.1
32	33	**Post cereals,** Philip Morris Cos.	110,997.5	102,004.5	8.8
33	35	**Columbia Pictures movies & video,** Sony Corp.	110,322.3	99,015.8	11.4
34	32	**Universal City Studios movies, theme parks,** Matsushita Inc.	109,342.5	105,393.3	3.7
35	39	**Pizza Hut restaurants,** PepsiCo	106,950.6	95,184.4	12.4
36	28	**Coors beers,** Adolph Coors Co.	104,463.3	111,180.5	(6.0)
37	44	**Nabisco cereals, cookies & crackers,** RJR Nabisco	104,239.1	91,479.2	13.9
38	36	**Montgomery Ward stores,** Montgomery Ward & Co.	102,866.4	98,883.3	4.0
39	46	**American Airlines,** AMR Corp.	102,619.1	89,780.5	14.3
40	48	**Acura cars,** Honda Motor Co.	100,662.8	88,127.1	14.2
41	113	**Lexus cars,** Toyota Motor Co.	97,886.2	46,025.4	112.7
42	43	**Folgers coffees,** Procter & Gamble Co.	96,865.5	92,247.0	5.0
43	52	**Delta Air Lines,** Delta Air Lines	94,777.2	79,008.0	20.0
44	40	**Hyundai cars,** Hyundai Group	94,357.2	93,964.1	0.4
45	56	**Maxwell House coffees,** Philip Morris Cos.	92,604.3	76,804.2	20.6
46	53	**Circuit City stereo stores,** Circuit City	91,796.6	78,666.4	16.7
47	47	**Dairy products,** U.S. dairy farmers	91,417.8	88,882.8	2.9
48	42	**Wendy's restaurants,** Wendy's International	91,065.6	92,860.3	(1.9)
49	54	**Paramount movies & video,** Paramount Communications	89,826.3	78,466.4	14.5
50	34	**Marlboro cigarettes,** Philip Morris Cos.	85,375.6	100,750.5	(15.3)
51	50	**United Airlines,** UAL Corp.	83,759.8	82,923.9	1.0
52	58	**Hallmark cards, stationery,** Hallmark Cards	82,822.4	75,130.0	10.2
53	51	**Citibank financial svcs,** Citicorp	82,576.1	82,665.4	(0.1)
54	62	**Cheerios cereal,** General Mills	81,770.5	68,108.7	20.1
55	240	**Ultra Slim-Fast diet,** Thompson Medical Co.	81,183.1	24,800.6	227.2
56	66	**Taco Bell restaurants,** PepsiCo	81,096.3	65,398.8	24.0
57	63	**Touchstone movies & video,** Walt Disney Co.	80,879.3	65,892.3	22.7
58	30	**Subaru cars,** Subaru of America	80,454.9	110,512.7	(27.2)
59	67	**Time-Life books, tapes & videos,** Time Warner	79,596.9	64,696.6	23.0
60	71	**US Sprint telephone svcs,** United Telecommunications	79,381.1	61,859.0	28.3
61	116	**Nike footwear & sportswear,** Nike Inc.	77,508.3	45,229.9	71.4
62	45	**Kodak cameras, batteries & copiers,** Eastman Kodak Co.	77,454.1	91,204.3	(15.1)
63	41	**IBM computers,** IBM Corp.	73,955.4	93,362.4	(20.8)
64	82	**L'Oreal cosmetics,** Nestle SA	72,944.1	56,145.9	29.9
65	74	**Prudential insurance & real estate,** Prudential Insurance Co.	71,255.2	61,727.6	15.4
66	70	**Domino's pizza,** Domino's Pizza	69,883.8	62,462.9	11.9
67	106	**Isuzu cars & trucks,** Isuzu Ltd.	69,152.1	47,687.5	45.0
68	73	**Goodyear tires,** Goodyear Tire & Rubber Co.	69,099.2	61,727.9	11.9
69	77	**Cadillac cars,** General Motors Corp.	68,081.9	58,873.4	15.6
70	83	**Allstate insurance,** Sears, Roebuck & Co.	67,875.7	54,783.8	23.9
71	61	**Geo cars,** General Motors Corp.	67,080.9	68,998.7	(2.8)
72	64	**May department stores,** May Department Stores Co.	66,750.4	65,707.1	1.6
73	60	**Clairol hair products,** Bristol-Myers Squibb Co.	66,735.1	71,729.8	(7.0)
74	89	**20th Century Fox movies,** News Corp.	66,727.9	52,787.3	26.4
75	81	**Highland stores,** Highland Superstores	65,777.7	56,795.1	15.8
76	65	**Mercury cars,** Ford Motor Co.	65,001.5	65,585.8	(0.9)
77	59	**Mitsubishi cars, trucks & vans,** Mitsubishi Motors Corp.	64,587.6	73,808.6	(12.5)
78	87	**Canon electronic equipment,** Canon Inc.	64,076.6	53,053.3	20.8
79	90	**Volkswagen cars,** Volkswagen AG	63,413.7	52,632.0	20.5
80	79	**Advil & Coadvil remedies,** American Home Products Corp.	63,371.0	57,544.3	10.1
81	133	**Tri-Star Pictures,** Sony Corp.	63,325.6	40,544.4	56.2
82	153	**Cover Girl cosmetics,** Procter & Gamble Co.	63,163.4	35,117.6	79.9
83	107	**Eastern Airlines,** Continental Airlines Holdings	62,610.6	47,127.2	32.9
84	72	**U.S. Army,** U.S. Government	62,590.8	61,809.1	1.3
85	57	**Du Pont products,** E.I. du Pont de Nemours & Co.	62,525.9	75,761.8	(17.5)
86	91	**Tide laundry products,** Procter & Gamble Co.	62,009.2	52,404.8	18.3
87	69	**BMW cars,** BMW AG	61,738.9	62,892.6	(1.8)
88	80	**Orion Pictures,** Orion Pictures Corp.	61,287.9	57,473.9	6.6
89	78	**Red Lobster restaurants,** General Mills	60,798.5	58,068.4	4.7
90	97	**Levi's apparel,** Levi Strauss & Co.	60,096.2	49,488.4	21.4
91	109	**Wal-Mart stores,** Wal-Mart Stores	58,855.1	47,061.8	25.1
92	55	**Franklin Mint collections,** American Protection Industries	55,922.9	77,796.9	(28.1)
93	135	**Norelco appliances & shavers,** Philips NV	55,553.0	39,403.5	41.0
94	112	**MCI telephone svcs,** MCI Communications Corp.	54,837.9	46,375.0	18.2
95	139	**HBO cable TV,** Time Warner	54,432.1	38,910.1	39.9
96	261	**Little Caesar pizza restaurants,** Little Caesar Enterprises	54,430.5	21,459.8	153.6
97	169	**Visa credit card svcs,** Visa International	54,373.9	32,814.0	65.7
98	95	**Broadway department stores,** Carter Hawley Hale Stores	54,199.5	49,763.1	8.9
99	86	**Mattel toys,** Mattel Inc.	54,192.6	53,359.8	1.6
100	94	**Campbell's soups,** Campbell Soup Co.	53,264.7	50,785.1	4.9
101	93	**True Value stores,** Cotter & Co.	$53,217.2	$51,154.4	4.0
102	114	**Jeep trucks & vans,** Chrysler Corp.	52,821.7	45,978.4	14.9
103	108	**Target stores,** Dayton Hudson Corp.	52,746.1	47,122.4	11.9
104	102	**Newport cigarettes,** Loews Corp.	52,390.2	48,759.6	7.4
105	115	**Lucky food stores,** American Stores Co.	52,362.9	45,561.8	14.9
106	98	**Midas Muffler shops,** Whitman Corp.	52,101.4	49,264.7	5.8
107	76	**Quaker cereals & snacks,** Quaker Oats Co.	52,014.6	60,055.9	(13.4)
108	101	**United Parcel Service,** United Parcel Service of America	51,927.4	48,821.4	6.4
109	88	**Weight Watchers foods,** H.J. Heinz Co.	51,880.5	53,039.2	(2.2)
110	92	**Radio Shack electronics stores,** Tandy Corp.	51,742.9	51,828.5	(0.2)
111	96	**GE products,** General Electric Co.	51,623.2	49,745.3	3.8
112	189	**Duracell batteries,** Duracell Inc.	50,094.4	30,356.0	65.0
113	130	**Discover credit card,** Sears, Roebuck & Co.	49,846.4	41,057.9	21.4
114	123	**Kroger food stores,** Kroger Co.	49,657.5	43,684.3	13.7
115	171	**Hershey candies,** Hershey Foods Corp.	49,344.1	32,557.9	51.6
116	84	**Northwest Airlines,** NWA Inc.	48,835.2	54,513.6	(10.4)
117	129	**Stouffer frozen entrees,** Nestle SA	48,713.8	41,083.2	18.6
118	110	**Tropicana beverages,** Seagram Co.	48,525.4	46,799.3	3.7
119	181	**Nutri/System Weight Loss Centers,** Nutri/System Inc.	47,864.3	31,147.7	53.7
120	162	**Pillsbury foods,** Grand Metropolitan	46,984.9	33,593.0	39.9
121	120	**CBS TV,** CBS Inc.	46,534.4	44,323.2	4.9
122	136	**Alka-Seltzer remedies,** Bayer AG	46,456.4	39,347.2	18.1
123	138	**Kleenex tissues & diapers,** Kimberly-Clark Corp.	46,400.9	38,947.1	19.1
124	151	**Johnson & Johnson products,** Johnson & Johnson	45,752.9	35,590.1	28.6
125	104	**Johnson polishes, waxes & cleaners,** S.C. Johnson & Son	45,689.9	48,214.2	(5.2)
126	126	**Mervyn's stores,** Dayton Hudson Corp.	44,522.9	42,564.1	4.6
127	119	**Virginia Slims cigarettes,** Philip Morris Cos.	44,213.8	44,360.8	(0.3)
128	180	**Pearle Vision Centers,** Grand Metropolitan	44,152.9	31,152.1	41.7
129	105	**TWA airlines,** Trans World Airlines	44,014.0	47,986.5	(8.3)
130	100	**Plymouth cars, trucks & vans,** Chrysler Corp.	43,907.4	48,939.0	(10.3)
131	137	**Walgreen drugstores,** Walgreen Co.	43,812.8	39,183.6	11.8
132	132	**Crest toothpaste,** Procter & Gamble Co.	43,810.0	40,908.9	7.1
133	103	**Continental Airlines,** Continental Airlines Holdings	43,053.7	48,588.4	(11.4)
134	121	**Hardee's restaurants,** Imasco Ltd.	42,875.8	43,773.5	(2.1)
135	111	**U.S. Postal Service,** U.S. Government	42,519.0	46,536.0	(8.6)
136	127	**Total cereal,** General Mills	42,149.9	42,015.6	0.3
137	141	**Toys "R" Us stores,** Toys "R" Us	41,610.4	38,355.7	8.5
138	118	**Oil of Olay toiletries,** Procter & Gamble Co.	41,504.4	44,709.4	(7.2)
139	246	**Sony electronics,** Sony Corp.	41,302.1	24,233.5	70.4
140	148	**Colgate toothpaste & toothbrushes,** Colgate-Palmolive Co.	41,211.0	36,269.7	13.6
141	228	**Tyco toys,** Tyco Toys	40,766.3	25,536.3	59.6
142	142	**Apple computers,** Apple Computer	40,758.7	38,314.0	6.4
143	154	**MasterCard credit card svcs,** MasterCard International	40,496.4	35,026.4	15.6
144	163	**7UP beverages,** Dr Pepper/Seven-Up Cos.	40,430.2	33,165.8	21.9
145	170	**Infiniti cars,** Nissan Motor Co.	40,166.2	32,755.4	22.6
146	156	**General Foods coffee,** Philip Morris Cos.	39,767.6	34,202.7	16.3
147	124	**GTE telephone svcs,** GTE Corp.	39,472.3	43,443.5	(9.1)
148	157	**NBC TV,** General Electric Co.	39,457.6	34,108.0	15.7
149	147	**State Farm insurance,** State Farm Insurance Cos.	39,353.0	36,270.9	8.5
150	149	**Safeway food stores,** Safeway Stores	38,688.4	36,099.6	7.2
151	146	**Nestle foods,** Nestle SA	38,670.1	36,489.3	6.0
152	164	**Reebok sporting footwear,** Reebok International	38,488.7	33,024.5	16.5
153	49	**Michelob beers,** Anheuser-Busch Cos.	38,275.6	86,591.7	(55.8)
154	161	**Lysol cleaners,** Eastman Kodak Co.	37,967.3	33,637.9	12.9
155	75	**Hanes apparel,** Sara Lee Corp.	37,938.4	60,617.5	(37.4)
156	159	**Lens Crafters opticians,** U.S. Shoe Corp.	37,654.3	33,735.0	11.6
157	253	**Oscar Mayer foods,** Philip Morris Cos.	37,534.6	22,742.0	65.0
158	155	**ABC TV,** Capital Cities/ABC	37,422.4	34,205.6	9.4
159	167	**Texaco gas & oil,** Texaco Inc.	37,408.5	32,961.5	13.5
160	212	**Blue Cross & Blue Shield,** Blue Cross & Blue Shield	37,320.3	27,950.0	33.5
161	233	**Neutrogena toiletries,** Neutrogena Corp.	37,207.0	25,228.0	47.5
162	85	**Merit cigarettes,** Philip Morris Cos.	37,035.2	54,222.4	(31.7)
163	229	**Hertz Rent-A-Car,** Park Ridge Corp.	36,985.6	25,424.2	45.5
164	145	**Keebler cookies & snacks,** United Biscuits (Holdings)	36,502.7	36,725.5	(0.6)
165	140	**Bloomingdale's department stores,** Campeau Corp.	36,281.6	38,538.0	(5.9)
166	217	**Lord & Taylor department stores,** May Department Stores Co.	36,233.6	27,660.5	31.0
167	122	**Clorox cleaning products,** Clorox Co.	36,136.5	43,709.6	(17.3)
168	216	**Head & Shoulders hair products,** Procter & Gamble Co.	35,915.1	27,697.1	29.7
169	198	**Gillette shaving products,** Gillette Co.	35,855.8	29,446.4	21.8
170	224	**Excedrin pain relievers,** Bristol-Myers Squibb Co.	35,548.8	26,043.4	36.5
171	99	**Hasbro toys,** Hasbro Inc.	35,518.7	49,258.8	(27.9)
172	193	**Betty Crocker foods,** General Mills	35,452.2	29,904.0	18.6
173	158	**Milton Bradley toys,** Hasbro Inc.	35,232.0	34,099.9	3.3
174	117	**7-Eleven stores,** Southland Corp.	34,784.7	44,866.7	(22.5)
175	292	**L.A. Gear sporting footwear,** L.A. Gear	34,755.6	15,117.6	129.9
176	283	**Nintendo games & magazine,** Nintendo Co.	34,615.4	17,417.9	98.7
177	183	**Giant food stores,** Ahold International	34,552.4	30,843.7	12.0
178	160	**Vons markets,** Vons Cos.	34,207.7	33,643.3	1.7
179	125	**Pan Am airlines,** Pan American World Airways	33,869.0	43,072.5	(21.4)
180	252	**Sports Illustrated magazine,** Time Warner	33,745.2	22,843.9	47.7
181	68	**Purina pet foods,** Ralston Purina Co.	33,723.2	63,308.5	(46.7)
182	251	**Volvo cars,** Volvo AB	33,716.9	23,124.8	45.8
183	239	**California state lottery,** State of California	33,617.4	24,842.3	35.3
184	201	**Royal Caribbean cruise line,** Royal Caribbean Cruise Line	33,602.2	28,789.7	16.7
185	241	**Bell Atlantic telephone svcs,** Bell Atlantic	33,601.2	24,746.2	35.8
186	220	**Revlon cosmetics,** Revlon	33,374.0	27,312.8	22.2
187	196	**Estee Lauder cosmetics,** Estee Lauder Inc.	32,930.9	29,618.5	11.2
188	184	**Abraham & Straus department stores,** Campeau Corp.	32,623.0	30,758.3	6.1
189	204	**De Beers jewelry,** De Beers Consolidated Mines	32,432.1	28,608.0	13.4
190	178	**Foley's department stores,** May Department Stores Co.	32,394.4	31,759.0	2.0
191	177	**Beef Industry Council,** Beef Industry Council	32,388.2	31,860.7	1.7
192	202	**Nynex telephone svcs,** Nynex Corp.	31,744.9	28,689.1	10.7
193	NA	**Saturn cars,** General Motors Corp.	31,591.1	0.0	NA
194	206	**Eckerd drugstores,** Jack Eckerd Corp.	31,553.0	28,494.8	10.7
195	194	**Winn-Dixie food stores,** Winn-Dixie Stores	31,551.9	29,794.2	5.9
196	214	**Century 21 real estate,** Metropolitan Life Insurance	31,459.5	27,828.0	13.0
197	269	**Cheer laundry detergent,** Procter & Gamble Co.	31,410.1	16,247.1	93.3
198	174	**Audi cars,** Volkswagen AG	31,173.4	32,183.2	(3.1)
199	295	**Motrin IB pain reliever,** Upjohn Co.	31,084.3	12,296.6	152.8
200	227	**Sprite beverages,** Coca-Cola Co.	31,023.5	25,922.0	19.7

Notes: Dollars are in thousands. Measured media spending includes magazine; Sunday magazine; newspaper; network, spot and syndicated TV; cable TV networks; national spot radio and network radio. **Source:** LNA/Arbitron Multi-Media Service. See story on Page 19.

AA chart: Kevin Brown

Advertising Age

1991 Advertisers' Guide to



Presented by the Newspaper Advertising Bureau in association with Advertising Age

1991 Advertisers' Guide to Newspapers

Introduction

There's a new cooperative spirit at daily newspapers. Instead of focusing only on their own strengths, newspapers are developing new initiatives for treating advertisers' needs as their top priority. This orientation has transformed newspapers into a market or client driven medium, one that says "yes" to advertisers.

The trend toward working together more closely as an industry has enabled newspapers to better serve a wide range of advertisers. The proliferation of more than 200 regional and national newspaper networks around the country reflects this team approach.

One example, the Newspaper National Network, represents the entire newspaper industry to the ad community and is jointly operated by the newspaper industry and the Newspaper Advertising Bureau. The NNN's marketing teams make it easier for advertisers to place multimarket buys. They develop newspaper advertising programs that help advertising clients achieve their marketing objectives and pre-sell the newspapers they choose in the markets they want to reach. Saturn, one of many advertisers working with the NNN, rolled out its retailer advertising in 141 newspapers reached through this network.

Individual newspapers are also developing strategies for working more effectively with advertisers and their agencies. The Tallahassee Democrat, for example, makes its extensive market research services available to advertisers in the Taliahassee market. Many newspapers have developed advertising agency relations programs, among them the Philadelphia Inquirer and Daily News. Its program features an agency hot line and a fulltime liaison who works to answer questions from agencies. The Poughkeepsie Journal created an action plan to improve relations with its advertisers based on the findings of an advertiser survey. The plan includes an "adopt an advertiser" service which covers everything from monitoring individual ads to a phone contact system that addresses advertisers' concerns.

When advertisers take advantage of the various properties newspapers own (in addition to the newspapers themselves), a mini-network of advertising opportunities opens up. To help advertisers get the most out of their newspaper advertising investment, papers are developing innovative integrated marketing and communications programs. These include, event and circulation marketing opportunities, media mix packages and group advertising buys. Campbell Soup took advantage of creative positioning on the weather pages and Century 21 is now involved with new classified tie-ins.

Newspapers provide a unique distribution channel and are fast entering the business of delivering a whole range of marketing materials that include magazines, inserts (and insert volume in newspapers continues to rise each year), catalogs, coupons and samples.

The Orange County Register has been involved with alternate distribution for four years. A more recent player is The Sacramento Bee which distributes a JC Penney home furnishings booklet with the Bee's Arrival Survival Kit that is delivered to new residents of Sacramento County. The Bee is also considering alternate distribution for Pacific Bell Yellow Pages.

Because newspapers specialize in efficiency and in cutting away waste, their distribution systems allow advertisers to reach tightly zoned market segments directly and unerringly. Today's newspapers are going far beyond traditional age, address and psycho/demographic targeting. Using advanced database marketing techniques, along with highly sophisticated alternate delivery systems, newspapers are moving quickly to target and reach individual consumers by purchase preference. That means newspapers can offer both mass and class coverage, true targeting. Among newspapers at the forefront of the database marketing movement are the Houston Chronicle and Atlanta Journal & Constitution.

Newspapers continue to deliver greater access to the consumers most advertisers want to reach than any other medium. That's because the daily newspaper commands the attention of an enormous audience, with more than 62 million copies sold on an average weekday. In addition, Sunday newspapers have been growing steadily and the number of copies sold now exceeds that of the dailies.

Perhaps more significant, the audience for newspapers is not only large, it is attractive to advertisers of all types. Majorities in every age group from 18-81 read a newspaper on the average weekday with an overall readership level of 62.4%. On Sundays, the adult audience is even greater — at 67.1%. And studies show that children and teens are drawn to the newspaper as soon as they can read. In order to maintain their appeal to both advertisers and readers, newspapers are redesigning their formats and introducing new sections. The 25-45 project at the Boca Raton News exemplifies this trend, one now being followed at other papers with the "yes" orientation.

You'll find highlights from Newspaper Key Facts '91 in the following pages. Key Facts '91 is designed to assist you in using the newspaper medium more effectively. It provides ready answers to the most pertinent and frequently asked questions concerning newspapers — readership, advertising trends, target marketing opportunities, sales impact, creative flexibility and planning.

To order **Newspaper Key Facts '91**, call the Newspaper Advertising Bureau's order department at 212-704-4614, or circle #1 on the Reader Service Card provided. For other newspaper advertising information, call 212-921-5080.

Every day, newspapers reach more than 113 million adults, and on Sunday, nearly 122 million adults.

Daily newspaper circulation is near its all-time high. Sunday circulation has never been higher

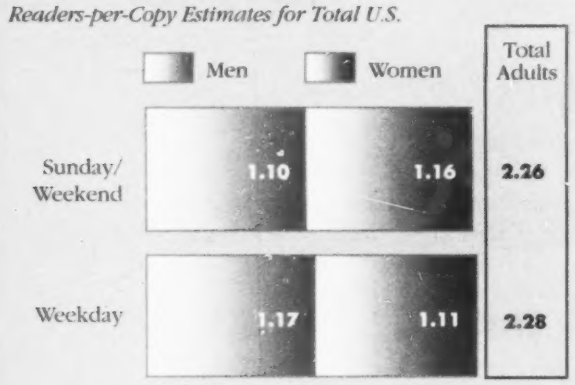
Newspaper Circulation in Thousands

Year	Morning	Evening	Total Daily	Sunday
1970	25,934	36,174	62,108	49,217
1975	25,490	35,165	60,655	51,096
1980	29,414	32,788	62,202	54,672
1985	36,362	26,405	62,766	58,826
1986	37,441	25,061	62,502	58,925
1987	39,124	23,702	62,826	60,112
1988	40,453	22,242	62,695	61,474
1989	40,759	21,890	62,649	62,008
1990	41,308	21,016	62,324	62,410

Source: *1970 - 1989, Editor & Publisher International Yearbook. 1990 preliminary estimates, NAB; morning and evening daily circulation estimates are not available.*

Readership is the best gauge of newspapers' impact because multiple readers take advantage of each single copy of the newspaper

Readers-per-Copy Estimates for Total U.S.



Sources: *NAB estimates based on SMRB, SMM 1990; 1990 Editor & Publisher Yearbook; Circulation 89-90, American Newspaper Markets, Inc. (now SRDS).*

The vast majority of adults in the U.S. read the newspaper:

- 62.4% of American adults read the newspaper on an average weekday. Over five weekdays, adult newspaper readership soars to a saturation 86.7%
- Two-thirds (67.1%) of adults read the newspaper on an average Sunday. Over four Sundays, adult newspaper readership increases to 88.0%

Source: *SMRB, SMM 1990.*

Teens are readers too:

- 81% of teenagers ages 12-17 find time to read at least one issue of a newspaper over the course of a week.
- Teen readership on an average weekday is 41%.

Source: *SMRB Study for Newsprint Information Committee and NAB, as reported in "Teenagers and Newspapers 1989," NAB.*

OUR SUN ISN'T HALF AS HOT AS OUR MARKET.

And our readers have money to burn.

No matter what you've heard about the summer sun, South Florida is great all year long. Especially if you've got something to sell.

For one thing, the Miami/Fort Lauderdale ADI, the nation's 15th largest, ranks No. 2 in retail sales per household, with nearly $28 billion in total sales.△

Best of all, to reach those in the know, all it takes is one newspaper buy: the Pulitzer-Prize winning Miami Herald and the nation's biggest (and best) Spanish-language daily publication, El Nuevo Herald — winner of the *Outstanding Spanish Language Daily Award*†. An incredible package!

Since 1987, The Miami Herald has gained 27,000 daily and 32,000 Sunday copies.◊ And since that time, El Nuevo Herald has grown 44 percent, now reaching 102,856 daily and 118,756 on Sunday.□

When you send your client's money to the tropics, we know how to put it to work.

THE MIAMI HERALD • EL NUEVO HERALD

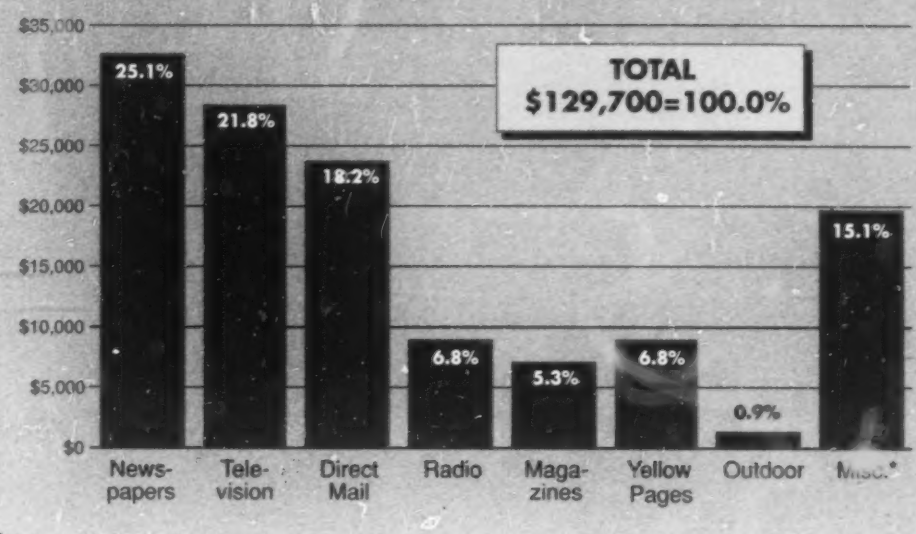
For advertising information call (305) 376-2820
Represented nationally by NEWSPAPERS FIRST

△ Sales and Marketing Management 1989
† National Association of Hispanic Publications
◊ ABC Audit 1990
□ VAC Audit 1990

Reader Service # 2

More Ad Dollars Are Spent In Newspapers Than In Any Other Medium

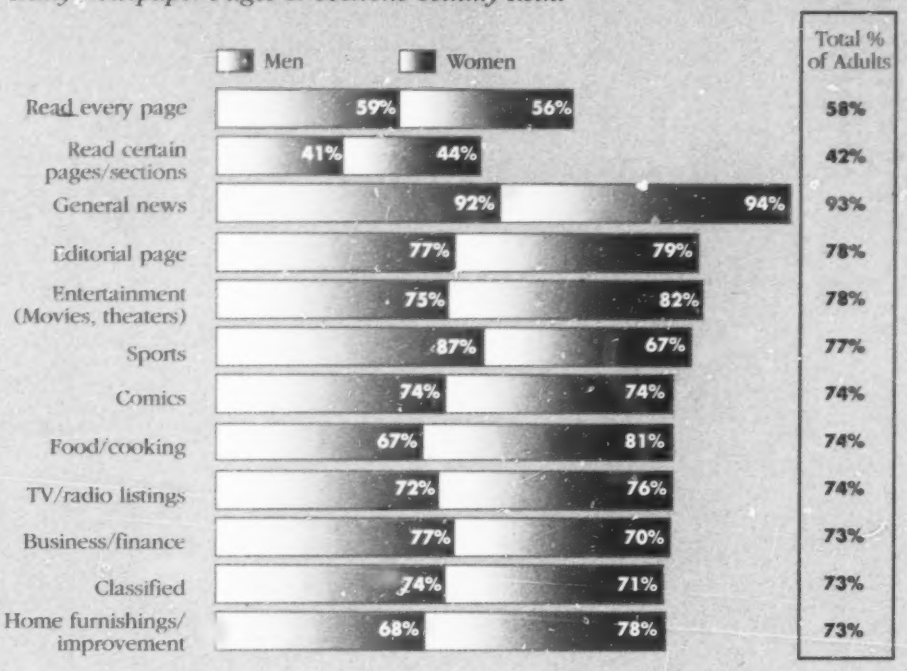
Estimated 1990 Ad Expenditures by Media



Note: *In millions of dollars*

The newspaper is a media mix in itself. Every page presents advertisers with unique targeting opportunities

Daily Newspaper Pages or Sections Usually Read



Note: *Percent of Weekday Audience*

Source: *SMRB, SMM 1990.*

Many newspapers offer advertisers geographic targeting, from total market coverage to selective distribution:

- Nonsubscriber programs: special programs, including free delivery publications, will reach nonsubscribers. Such programs provide advertisers with high levels of penetration for distribution of inserts or ROP ads in a specific market or market subsegment. 84% of daily newspapers recently surveyed reported offering non-subscriber programs.

  Source: *1990 NAB survey*

- Zoned editions: special sections run in certain populated zones that can be purchased for less than full-run rates.

- Customized distribution: even smaller geographic segments than zones are often available for preprint drops.

150 YEARS

THE PLAIN DEALER

1801 Superior Ave.
Cleveland, Ohio 44114

PROFILE

I. UNIQUE CHARACTER OF MARKET:

The Plain Dealer's market consists of Greater Cleveland and Northeast Ohio. It is rated among the top 20 markets in the U.S.

The area is experiencing a major economic resurgence, a case in point being its unprecedented building boom. Over $3.5 billion is being invested in current and planned construction, involving hotels, retailing, office space and a new stadium/sports complex is also on the boards.

Thanks to the lower cost of living in this thriving market, Cleveland residents are taking full advantage of the exciting new leisure-time pursuits available to them, and have welcomed the city's new retailing and entertainment opportunities with open arms.

The Cleveland market features a healthy mix of manufacturing, service, finance, research and medical industries. The result is an economic environment with the strength that such a diversity of industry creates. All Clevelanders have benefitted from this strength with a lower rate of unemployment in recent years, as compared to the State of Ohio and the U.S.

II. MARKET DEFINITION:

Cleveland's 17-county ADI is recognized as the 11th largest ADI in the U.S. The Plain Dealer attracts 39% of adult readers daily and 47% of adult readers on Sunday.

Cuyahoga County is the nerve center of this vital Northeast Ohio market, comprised of over 37% of all ADI adults and 38% of ADI retail sales. In Cuyahoga County, daily adult readership of The Plain Dealer is 71%. On Sundays, 85% of all adult readers get their news and information from The Plain Dealer.

III. DEMOGRAPHIC PROFILE OF READERS:

In the Seven-County CMSA, a single daily issue of The Plain Dealer reaches over one million adults or 49% of total adults. On Sundays, one issue of The Plain Dealer reaches more than 1.2 million adults or 59% of total adults. In addition:

Target Group	Daily PD	Sunday PD
Adults 35-54	53%	61%
Household Income $50M +	59%	68%
College Grads	58%	69%

Birch-Scarborough Readership Report '90

IV. PRODUCT USAGE PROFILE OF READERS:

The Cleveland market ranks number one in the U.S. in share of adults who:

-Own automobiles

-Own homes

-Participate in: golf, freshwater fishing, power boating

-Use: several types of baking products, baby products, automotive products and tools

V. UNIQUE QUALITIES OF THE NEWSPAPER:

Daily "Themed" Sections: Attract a wide variety of readers and keep the newspaper livelier and more involving.

Daily & Sunday Zoned Editions: Help to target specific communities and create "localized" flavor, while offering all other popular features.

New Production Facilities: Plans are now being implemented for a multi-million dollar state-of-the-art plant that will make quality and efficiency second to none.

SALES CONTACTS:

Robert Hagley, Advertising Director: 216/344-4350 **Steven Casey, Retail Advertising Manager:** 216/344-4352 **David Nadeau, Assistant Retail Adv. Mgr.:** 216/344-4997 **John Moloney, General Advertising Manager:** 216/344-4970 **Charles Tarantino, Classified Advertising Manager:** 216/344-4596 **Margaret Draper, Asst. Classified Adv. Manager:** 216/344-4594 **John Southwick, Co-op Advertising Manager:** 216/344-4139 **Robert Thein, Manager, Marketing & Research:** 216/344-4079

Represented Nationally by Newhouse Newspapers, Inc.
• Atlanta • Beverly Hills • Chicago • Detroit • • New York • N. Miami Beach •
American Publishers Representatives: Canada
The Colin Turner Group: London

NEW YORK?
CHICAGO?
LOS ANGELES?

FASHIONS COURTESY OF GUCCI

YOU'LL FIND SOME VERY IMPRESSIVE SHOPPING BAGS BEING CARRIED DOWN THE STREETS OF CLEVELAND THESE DAYS. BECAUSE HIGH-END RETAILERS KNOW CLEVELANDERS APPRECIATE THE BEST THINGS IN LIFE.

NAMES LIKE GUCCI, FENDI, BARNEY'S, BROOKS BROTHERS AND MORE HAVE TAKEN THEIR PLACE BESIDE BELOVED CLEVELAND RETAILERS LIKE HIGBEE'S, MAY COMPANY, JOSEPH HORNE AND SAKS, AND ALL ARE DISCOVERING THAT THE BEST WAY TO REACH THIS AFFLUENT MARKET IS IN THE PLAIN DEALER. THAT'S WHERE 71% OF CLEVELANDERS* TURN TO EVERY MORNING TO FIND OUT WHAT'S NEW AND WHAT TO BUY.

SO WHY SHOP AROUND? ADVERTISE EFFICIENTLY AND EFFECTIVELY IN THE PLAIN DEALER. FOR DETAILS, CALL (216) 344-4970.

*Scarborough Report, 1990. Primary Market Reach

NO. IT'S CLEVELAND.

Chicago Tribune

Chicago Tribune
435 North Michigan Avenue
Chicago, Illinois 60611

I. UNIQUE CHARACTER OF THE CHICAGO MARKET / III. MARKET BENCHMARKS

The Chicago Consolidated Metropolitan Statistical Area, which includes 11 counties—Cook; DuPage; McHenry; Kane; Kendall; Will; Grundy; Lake, IL; Lake, In; Porter, IN; Kenosha, WI—is one of the nation's strongest:

- the third largest CMSA in the country, behind New York and Los Angeles and ahead of Philadelphia and Detroit
- compared to the other 4 cities in the top 5 CMSA's (New York, Los Angeles, Philadelphia and Detroit), in the last year the Chicago CMSA showed the least inflation
- an estimated population of 8,204,263
- approximately three million households
- effective buying income of $30,967 per household
- total retail sales is $58.3 billion: $19,345 per household

The Chicago CMSA is particularly solid in the business/financial sector:

- the number two market of Fortune 500 companies
- home to over 500 banks and Savings & Loans
- home to 16 major insurance companies
- manufacturing is the largest sales industry—other than general services—followed closely by retail trade and financial/insurance/real estate
- the five Chicago exchanges (Board of Trade, Mercantile, Commodities, Chicago Board of Options and Stock Exchange) employ nearly 33,000 and handle more than 75% of the world's commodities business
- Chicago's O'Hare Airport, the busiest in the U.S., serves approximately 58 million passengers yearly and supports about 180,000 local jobs
- "The nation's center of technology users"—with the largest installed base of computers in the nation (according to International Data Corp)

Sources: 1990 Sales and Marketing Management, Survey of Buying Power. Fortune, April 23, 1990. The Commercial Club of Chicago. Crain's Chicago Business, Metro Chicago Market Facts, July 2, 1990. Air Transport Association of America.

II. THE CHICAGO MARKET DEFINITION

According to the numbers just released by the Audit Bureau of Circulations, the Chicago Tribune total daily paid circulation is 741,345 and the Sunday circulation is 1,131,226. These numbers reveal that the Chicago Tribune leads its closest competitor in daily circulation by 200,568 copies - and continues to lead on Sunday by more than a two-to-one margin!

In the Primary Market Area, which includes Cook, DuPage, McHenry, Kane, Will and Lake counties in Illinois and Lake and Porter counties in Indiana, net paid circulation has increased to 651,448, the largest in three years. On Sunday, P.M.A. circulation stands at 1,009,677.

To more efficiently serve readers and advertisers in Chicago's growing suburban communities, the Chicago Tribune has several suburban bureaus and publishes special editions of the Tribune focusing on news and advertising of these individual communities. The Chicago Tribune continues to grow as the newspaper of choice throughout the suburbs, with daily circulation of 442,137 and Sunday circulation of 720,545. Both numbers reflect the highest suburban circulations in Chicago Tribune history, and our biggest leads ever over our closest competitor.

Sources: Audit Bureau of Circulations Publisher's Statement, March 1991

IV. PRODUCT USAGE PROFILE OF CHICAGO TRIBUNE READERS

	Daily Chicago Tribune Index	Sunday Chicago Tribune Index
Value of home $100,000+	132	134
Drank wine past month	120	119
Took a flight in U.S. past month	123	121
Own a credit card	113	112
Purchased jewelry last year	114	111
Purchased cosmetics past year	105	105
Attended rock or other concert past year	114	108
Attended at least one movie past 3 months	105	105
Purchased compact discs past 3 months	128	114
Own stocks or bonds	113	111

Source: 1990 Chicago Market Scarborough Report

V. CHICAGO TRIBUNE READER DEMOGRAPHIC PROFILE

	Total Market Composition	Daily/Sunday Chicago Tribune
Readership Composition		
Total Adults	6,365,100	3,318,850
Men	47.5%	51.3%
Women	52.5	48.7
Age		
18-34	37.8	36.5
35-54	36.1	37.7
55+	26.1	25.8
Education		
College grad +	25.3	36.4
Some College	28.3	31.1
High School Grad or less	46.4	32.5
Household Income		
HHI $50,000+	33.3	42.0
HHI $35,000-$49,999	23.2	24.1
HHI $25,000-$34,999	21.1	18.2
HHI < $25,000	22.4	15.7
Household Data		
Home Owner	65.8	71.2
Rent/Other Residence	34.2	28.8

Source: 1991 Chicago Market Scarborough Report

VI. UNIQUE QUALITIES OF THE CHICAGO TRIBUNE

The Chicago Tribune leads its competition in editorial, circulation and advertising excellence.

The Chicago Tribune has award-winning writers on the scene...

Besides having earned 16 Pulitzer prizes and awards for color reproduction, the Chicago Tribune publishes virtually all of Chicago's most popular columnists, from Mike Royko and George Lazarus to Ann Landers and Bob Greene. Plus, the Chicago Tribune has a dozen foreign correspondents permanently located in hotspots throughout the world. In fact, during the Gulf War, while all other Chicago newspapers relied on wire services, Chicago Tribune readers were receiving firsthand reports and photos from nearly a dozen additional Tribune reporters and photographers on the scene in the Mideast.

For the most complete local news coverage, the Tribune produces localized metropolitan news sections focusing on the news events of individual communities. These special editions are published from bureaus located in the heart of those communities.

More advertisers choose the Chicago Tribune as their #1 vehicle...

Advertisers throughout the country have found that the Chicago Tribune is the best environment for getting their message to the Midwest. The quality of readership that the Chicago Tribune brings to its advertisers, as well as flexibility in targeting, color and editorial environment, delivers consistent response and results. In the past year, the Chicago Tribune's dominance in advertising space placed with the two major Chicago papers has risen to — over 66% - that's two-thirds of Chicago's advertising linage!

The Chicago Tribune provides an advertiser with the flexibility to reach the desired targets with timeliness and efficiency. Not only are there up to 14 geographic zones that offer both black-and-white and color availabilities, but every day, in virtually every section of the Chicago Tribune, advertisers can find opportunities to target their messages through zoning. Whether it's in the suburban editions or regular sections of the newspaper - including the Wednesday Style section, the Thursday Food Guide, the Friday section and the Sunday Transportation, Home and WOMANEWS sections, to name a few - zoned advertising is available.

Plus, for even greater coverage and flexibility, there are countless advertising availabilities in selected-area inserts. And the Tribune publishes Local Values, a direct mail package sent only to non-subscribers. No other Chicago paper delivers such broad opportunities and strong results.

SALES CONTACTS

CHICAGO
435 North Michigan Avenue
Chicago, Illinois 60611
(312) 222-3911

DALLAS
Campbell Centre
8350 North Central Expressway
Suite 660
Dallas, Texas 75206
(214) 363-5044

DETROIT
4000 Town Center Suite 510
Southfield, Michigan 48075
(313) 352-1630

MIAMI
4651 Sheridan St., Suite 410
Hollywood, Florida 33021
(305) 989-8833

WESTERN STATES ASSOCIATES, INC.
4601 Wilshire Boulevard
Suite 110
Los Angeles, California 90010
(213) 933-5623

101 California St., Room 930
San Francisco, California
94111
(415) 421-7946

NEW YORK
220 East 42nd Str., Suite 1402
New York, New York 10017
(212) 682-3033

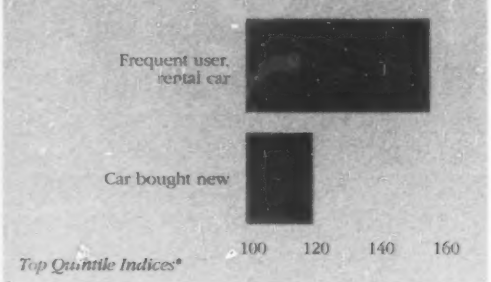
TOWMAR REPRESENTACIONES PROFESSIONALES SA
Preas de la Angostura 8
Mexico D.F. 11500
(905) 395-58-88

TOWMAR CANCUN
Gaceta #10 Villas Del Sol
Super
Manzana 20
Cancun, Quintana Roo
77500
011-529-988-4-2073

Reader Service # 5

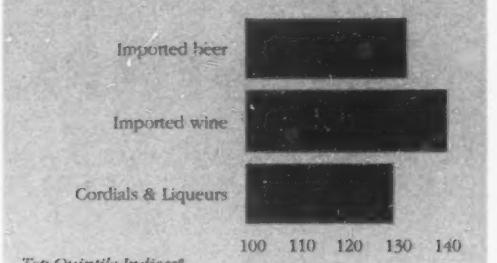
Heavy newspaper readers are the best customers for many products and services

Automotive



*Top Quintile Indices**

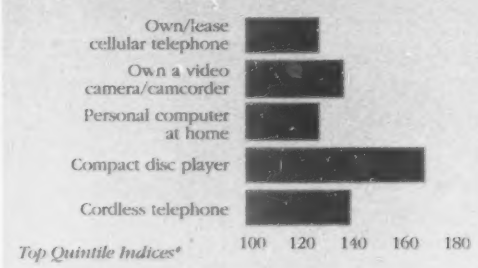
Beverage



*Top Quintile Indices**

Consumer Electronics

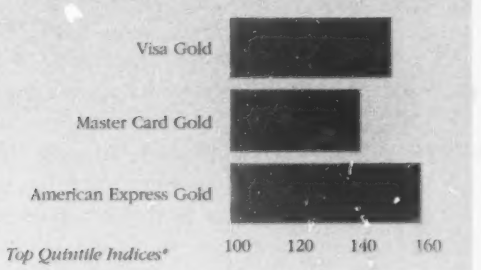
Bought last 12 months:



*Top Quintile Indices**

Credit Cards

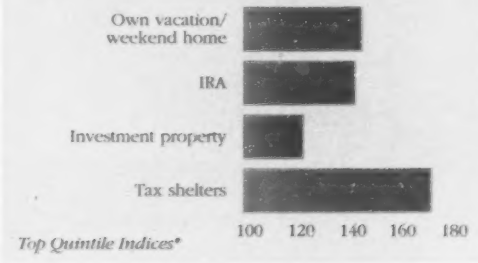
Have or use:



*Top Quintile Indices**

Financial/Investment

Currently have:



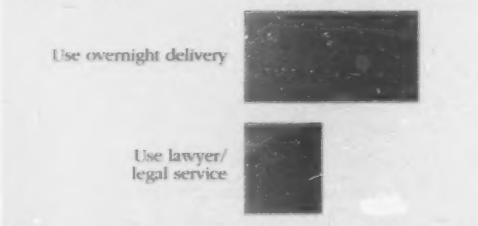
*Top Quintile Indices**

Housewares & Jewelry

Bought last 12 months:

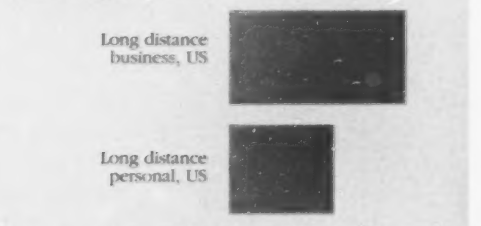
*Top Quintile Indices**

Professional Services/ Utilities



*Top Quintile Indices**

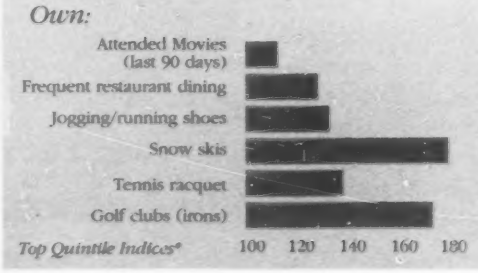
Telephone (heavy user)



*Top Quintile Indices**

Sporting Goods/ Leisure Activities

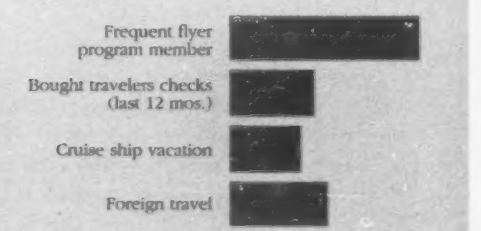
Own:



*Top Quintile Indices**

Travel

Last 3 years:


Frequent flyer program member
Bought travelers checks (last 12 mos.)
Cruise ship vacation
Foreign travel
100 120 140 160 180

*Top Quintile Indices**

** Proportion of total adults in top quintile (20%) = 100. Only the top quintile is used in this analysis because it represents those people who account for the most newspaper reading.*

Source: *SMRB, SMM 1990.*

PROFILE

The Dallas Morning News

Communications Center
P.O. Box 655237
Dallas, Texas 75265
(214) 977-8575

The Dallas Morning News:
A History of Excellence
by Dan Hanrahan

Times are tough for the newspaper industry.

The recession has caused a slump in advertising that some analysts are calling the worst in twenty years. Profits and ad linage are down considerably at some papers. But there is hope. In the darkness that surrounds the newspaper industry, one major daily is shining brighter than ever: *The Dallas Morning News*. At a time when newspapers' budgets are calling for cutbacks and numerous other defensive measures, *The Morning News* has consistently asserted a dominance in its own market and within the newspaper industry itself.

An Increase In Numbers

The Dallas Morning News sells more than 412,000 copies daily in the Dallas-Fort Worth ADI (33 surrounding counties in North Central Texas) -- a 44% increase from 1980 and 197,250 more than its closest local competitor. On Sunday, *The Morning News* sells more than 611,000 copies - a 73% increase from 1980 and 303,268 more than its closest rival.

It's the same story with readership figures: On the average weekday in the D-FW ADI, *The Morning News* reaches 912,100 readers -- 331,900 more than its closest competitor. On Sunday, *The Morning News* reaches 1,265,900 readers - 431,300 more than any rival in the area.

A Better Editorial Product

Since 1980, *The Morning News* has been honored numerous times, achieving some of the highest awards accorded any newspaper nationwide, including three Pulitzer Prizes in the last five years. The most recent Pulitzer received was in 1991 for Feature Photography.

In the last year alone, other journalistic recognition has included:

*For the seventh time in the past eight years, Sports Day (*The Morning News'* highly acclaimed sports section) swept awards for the best daily, Sunday and special sections in the Associated Press Sports Editors' (APSE) contest -- the only paper to have swept all three categories in seven out of the eight years of the APSE contest.

*Three *Morning News* staff reporters received the George Polk Award for Regional Reporting. Gayle Reaves, David Hanners and David McLemore were recognized for their six-part story on drug trafficking and its effect on life in two Texas counties.

*Six *Morning News* writers won Charles E. Green Journalism Awards from the Headliners Foundation of Texas. Honors included "Star Reporter of the Year," "Investigative Reporter of the Year," "Editorial Excellence," "Excellence in Newspaper Specialty Reporting" and "Excellence in Feature Writing."

**The Morning News* became the only paper with two winners of Associated Press Sports Editors' Red Smith Award for outstanding contributions to sports journalism. Dave Smith, executive sports editor and deputy managing editor, joined sportswriter Blackie Sherrod, who won the award in 1985.

Graphic Improvements

A great deal of the newspaper's success has to do not only with what is read, but how easy it is to read. Over the last decade, *The Morning News* has consistently improved its appearance.

In 1985, *The Morning News* invested in a multi-million dollar offset printing facility, and recently installed a Scitex color correction system.

In the summer of 1990, *The Morning News* began using two specially formulated low rub-off black inks to print the paper, and soy-based colored inks with low rub-off characteristics are currently being tested.

As the switch to low rub-off inks and continued improvement in production areas indicate, *The Morning News* is serious about presenting the best looking, easiest read newspaper in the business.

"Our improvements have proven a major boon to both readers and advertisers," said Harold Gaar, *Morning News'* vice president of marketing. "Servicing an area with such important corporate bases as Exxon, JCPenney, MCI and GTE, as well as an extremely well-educated work force (6th in national rankings) demanded a superior product. And we delivered."

Community Involvement

A great newspaper not only informs, educates and entertains, but is also a key corporate member of the community. Over the last 106 years, *The Morning News* has committed major resources to sponsorship of civic, cultural, sports and educational events that enhance the quality of life in the Dallas-Fort Worth area. More than 1 million people each year participate in or attend programs sponsored by *The Morning News*.

The Morning News has also been active in the community through editorial and marketing support of corporate and individual recycling programs.

Future Developments

The Morning News' success story is encouraging, with steady projected growth for the rest of 1991. But the question is: How does the paper plan to maintain the level of excellence Dallas and Fort Worth residents are responding to in record numbers?

"As always, by maintaining our commitment to producing the best possible newspaper which meets the needs of our readers and advertisers, every day," says Gaar.

SOURCES: ABC Fas-Fax Report for six months ending March 31, 1991; ABC Publisher's Statement, March 31, 1980; The 1991 Scarborough Report, Dallas-Fort Worth ADI.

We Think You Should Know Our Position On Advertising.

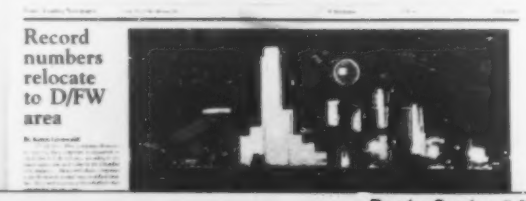
#1 in Classified Advertising Linage
#2 in Full-run Advertising Linage
#3 in Retail Advertising Linage

In 1990, The Dallas Morning News took the top three positions in classified, full-run and retail ad linage, respectively. The reason is simple. A lot of advertisers are obviously getting a lot of very good results.

And if you have something to sell, that's a very good reason why you should think of us first. And second. And third.

Source: LNA Newspaper Summary Advertising Data Report, January-December 1990. All numbers are full-run.

The Dallas Morning News



Reader Service # 6

Newsday
New York Newsday

Newsday
235 Pinelawn Road
Melville, New York 11747

New York Newsday
2 Park Avenue
New York, New York 10016

UNIQUE CHARACTER OF THE NEWSDAY/NEW YORK NEWSDAY MARKETS

- The New York ADI ranks #1 in the country for median household income.
- Newsday/New York Newsday's seven county New York Metro Coverage (Queens, Brooklyn, Manhattan, Bronx, Staten Island, Nassau and Suffolk) represents over 55% of all households and over 48% of all retail sales in the total New York ADI.
- The New York ADI ranks #1 in the country for Automotive sales.
- The New York ADI ranks #1 in the country for Department Store sales.
- The New York ADI ranks #1 in the country for Supermarket sales.
- The New York ADI ranks #1 in the country for Furniture sales.
- The New York ADI ranks #1 in the country for Home Improvement sales.

Source: Sales and Marketing Management - 1990 Survey of Buying Power.

NEWSDAY/NEW YORK NEWSDAY MARKET DEFINITION

	Households	Newsday/New York Newsday Circulation Daily	Sunday
Seven County New York Metro Market*	3,926,200	834,459	1,010,517
ADI:			
New York	7,113,400	834,459	1,010,517

Source: a) Household: Sales & Marketing Management's Survey of Buying Power 1990 Data Service.
b) Newsday Circulation (1/1/91-3/31/91) As submitted to ABC. Subject to Audit.
*New York Metro – NYC (Brooklyn, Bronx, Manhattan, Queens, Staten Island) and Nassau, Suffolk Counties.

MARKET BENCHMARKS

New York ADI

		Rank compared to all other ADIs
Population	18,725,000	1
Households	7,113,400	1
Effective Buying Income	$319.2 Billion	1
Total Retail Sales	$134.6 Billion	1

Newsday/New York Newsday's seven county New York Metro Market* represents only one-fourth of the counties in the New York ADI, however it accounts for 55% of all households and 48% of all retail sales in the total New York ADI.

Source: Sales and Marketing Management – 1990 Survey of Buying Power. ABC-Fas-Fax 3/31/91.
*New York Metro – NYC (Brooklyn, Bronx, Manhattan, Queens, Staten Island) and Nassau, Suffolk counties.

DEMOGRAPHIC PROFILE OF NEWSDAY/NEW YORK NEWSDAY READERS

- Newsday/New York Newsday delivers over a million readers with a household income of over $50,000.
- Newsday/New York Newsday reaches over 1.6 million New York metro readers who are 18-49 years old.

	Daily	Sunday
Sex		
Male	51.8%	49.9%
Female	48.2%	50.1%
Age		
18-34	33.6%	35.0%
35-54	39.4%	37.5%
55+	27.0%	27.5%
Education		
High School Graduate	38.6%	38.6%
Some College	21.9%	19.7%
College Graduate	24.6%	23.7%
Household Income		
$20,000-34,999	22.6%	22.9%
$35,000-49,999	24.3%	24.2%
$50,000+	41.1%	40.7%

Source: Scarborough, 1990/Newsday Proprietary Readership Study, March 1991

PRODUCT USAGE PROFILE OF NEWSDAY/NEW YORK NEWSDAY READERS

	Daily	Sunday
Home Ownership:		
Own	61.1%	63.7%
Rent	37.1%	34.5%
Own one or more Cars	84.0%	84.5%
Traveled domestic/foreign*	82.9%	81.6%
Purchased Apparel over $100 in the last 12 months	84.8%	84.1%
Shopped for Appliances, Audio or Video items in past 12 months	81.0%	80.7%
Shopped for Furniture/Carpeting in past 12 months	63.2%	63.8%

Source: Scarborough, 1990.
*Domestic travel in the last 12 months. Foreign travel in the last 3 years.

UNIQUE QUALITIES OF THE PAPER

Newsday/New York Newsday's circulation makes it the fourth largest daily in the nation and the #1 daily in the New York ADI. Newsday/New York Newsday strives to be an indispensable part of the lives of 2.5 million daily readers and 2.7 million Sunday readers. Newsday/New York Newsday is the fastest growing daily in the New York ADI. And, with a commitment to being the best in New York on New York, Newsday/New York Newsday offers the most respected voices in journalism from Pulitzer Prize winners, Jimmy Breslin, Doug Marlette, Murray Kempton, Sydney Schanberg to distinguished award winning columnists Jim Dwyer, Gail Collins, Dennis Duggan, Bill Reel, Carole Agus, Ellis Henican, Linda Winer, Allan Sloan, Robert Reno, Les Payne, Marvin Kitman, Sheryl McCarthy and Liz Smith. Additionally, Newsday/New York Newsday has been voted best sports section in New York four years in a row by the A.P. Sports Editors. All this and more in the only spectacular full four-color daily newspaper in the New York market.

Source: ABC circulation (3 month average ending 3/31/91 compared to 1986 Audit).
Newsday Analysis of ABC-Fas-Fax 3/31/91. Newsday Proprietary Readership Study, March 1991

SALES CONTACTS

Tom Reilly
National Advertising Manager
212-339-7544

Patricia Burnagiel
Classified Advertising Manager
516-454-3000

Richard Beekman
Retail Advertising Manager
516-454-2500

John McKeon
Retail Advertising Manager
516-454-2500

John Tewksbury
New York Newsday Advertising Manager
718-575-2500

Reader Service # 7

A LOS ANGELES TRADITION

Hispanic culture is at the root of today's Southern California, and the Hispanic community is a vital part of a thriving Los Angeles. For sixty-four years, *La Opinion* has been the voice of that community. Hispanic marketing isn't new to us — it's our heritage.

THE EMERGING MAJORITY

The Los Angeles market is growing at a rate well above that of the U.S. population as a whole. That growth comes primarily from the Hispanic population, which experienced a growth rate twelve times that of non-Hispanic whites during the 1980's. Sheer numbers make this community a sound investment for targeted advertising. Los Angeles is number one in Effective Buying Income, totalling over $63 billion in retail sales . . . and Los Angeles is one-third Hispanic.

UNDUPLICATED REACH

Unlike many other metro dailies, *La Opinion's* primary market is not defined geographically, but rather demographically. Of the nearly 2 million Hispanic adults in Los Angeles and Orange counties, 82% are Spanish-dominant, preferring to obtain and exchange news and information in Spanish. *La Opinion's* penetration of this Spanish-dominant Hispanic market is 386,700, or 24%, over a 6-day week. *La Opinion* has virtually no duplication with other area newspapers, either Spanish or English.

LA OPINION READERSHIP

The majority of *La Opinion* readers are 18 to 34, and most have been in the area less than five years. This gives advertisers a premium opportunity to establish brand awareness and shopping loyalty. In addition, our larger-than-average household size means increased product consumption.

EDITORIAL PRODUCT

The *La Opinion* reader is highly interested in our regular editorial features and special sections. 90% of readers rated *La Opinion's* overall coverage as excellent/very good, and 91% judged *La Opinion* to be "complete, covering all the news I want or need." *La Opinion* offers readers daily coverage of international, national and local news, sports and entertainment, as well as a Thursday food section and Sunday entertainment tabloid. Sundays also offer full-color comics, a TV guide, and a family/lifestyle section.

SPECIAL SERVICES

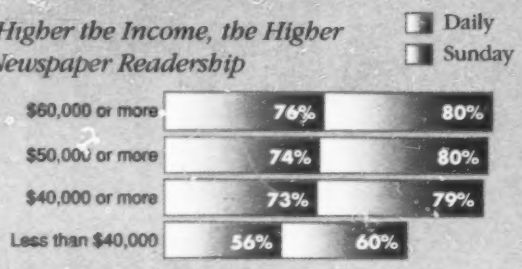
Additional information on *La Opinion* and the Los Angeles Hispanic market is available through the Marketing Department, *LA OPINION*, 411 W. Fifth Street, 11th Floor, Los Angeles, CA 90013, (213) 896-2020.

Reader Service # 8

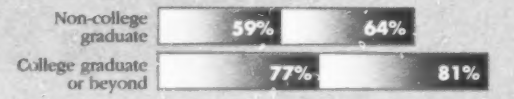
Newspaper Readers

The most frequent newspaper readers are the best targets for most advertisers

The Higher the Income, the Higher the Newspaper Readership



Newspaper Readership Increases Sharply With Education



Newspaper Readership Increases With Job Responsibility

Source: *SMRB, SMM 1990*

Consumers overwhelmingly favor newspapers over direct mail as an effective shopping guide

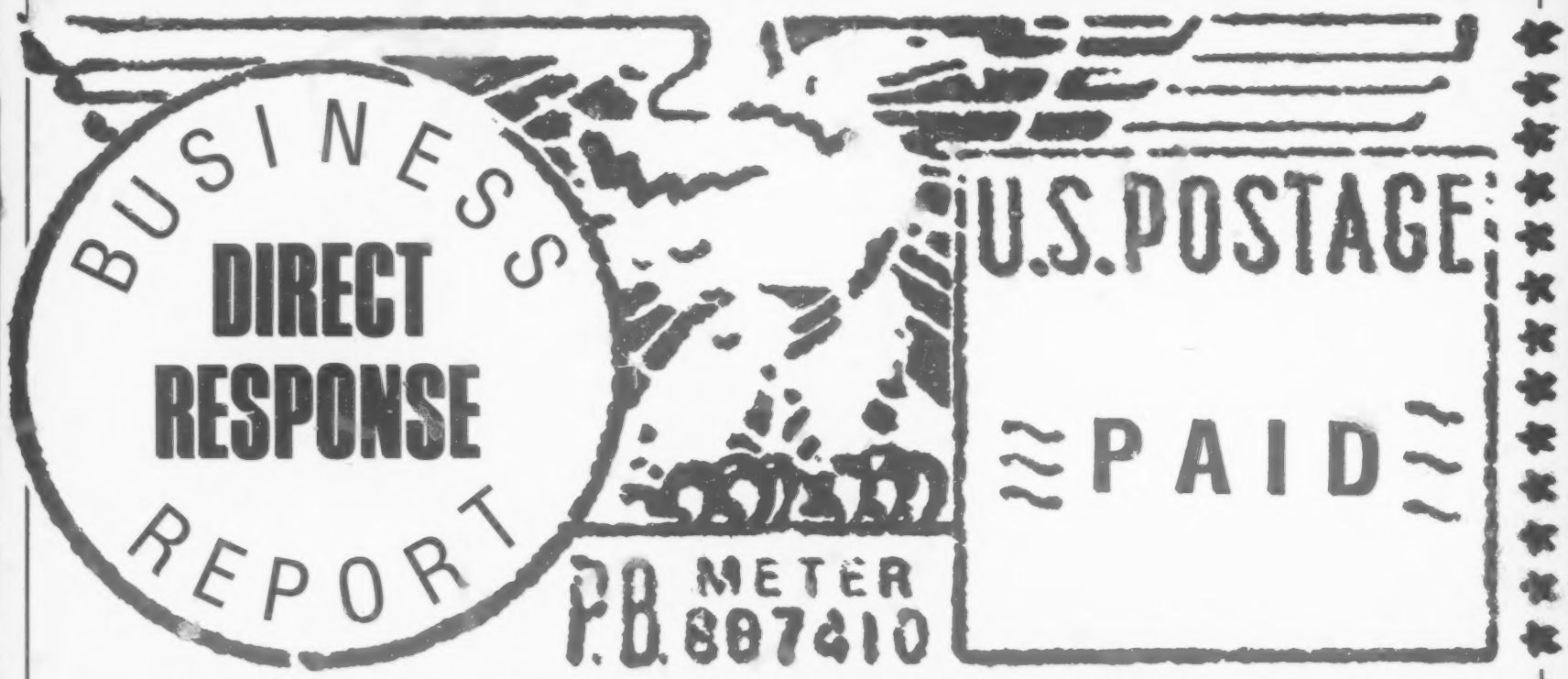
	Newspapers	Direct Mail	Don't Know No Answer
Makes it easier to compare prices at different stores	78%	19%	3%
Helps me to decide where to shop	77%	18%	5%
Advertises the kinds of products I'm most interested in buying	65%	29%	5%
Gets me when I'm in the mood to read	62%	34%	4%
Makes products look a lot better than they are	28%	66%	6%

Source: *Henry Senft Research Associates, as reported in "One Day's Mail," NAB 1987.*

When it's relevant to the Hispanic Community...

LA OPINION

411 West Fifth Street, Los Angeles, CA 90013
(213) 896-2300



Recession felt, but direct shops gain

Surprisingly strong volume increase of 15% keeps agencies mostly optimistic

By Kenneth Wylie

The direct-response industry seemed to defy the recession as it held its own through most of 1990.

According to the 1991 *Advertising Age* direct-response agency survey, the recession's heaviest blows still had not been felt by yearend.

As a result, total 1990 U.S. direct-response dollar volume for surveyed agencies rose 15.2% to $4.1 billion.

This gain far surpasses the 9.5% growth predicted by agency executives last year. It also outstrips U.S. direct-response volume gains of 12% in 1989 and 9.6% in 1988.

"We're quite optimistic despite the recession," says Ronald Greene, president of Devon Direct Marketing & Advertising, Berwyn, Pa. "We're finding the marketplace terribly buoyant."

"In recessionary times . . . if [companies] have $60 million in advertising for awareness and $10 million in direct marketing, they can afford to take $3 million from advertising and move it to direct for tactical purposes," says Murray Bowes, chairman-ceo, Bowes Dentsu & Partners, Los Angeles. "Historically,

On a roll: Data-base billings soar 32.7%. **Page 35**

companies in high-tech, automobiles, package goods and financial services will make such reallocations," he says.

Even so, some recession-induced uneasiness is evident in the industry.

"The recession has been felt," says Russell Kern, president of Kern/Mathai Direct Marketing, Los Angeles. "But there are two good areas for us: the high-tech [market], which is still showing good results with direct mail, and financial services, which slowed from July 1990 to January 1991 but is now coming back with caution."

The survey shows little juggling at the top of the industry rankings.

Leading the field among direct-response agencies, as they have for the last five years, are top-ranked Ogilvy & Mather Direct, New York, followed by Wunderman Worldwide, New York.

O&M Direct showed a substantial 16.1% increase over 1989 U.S. total volume, climbing to $[illegible] million in 1990. No. 2 Wunderman saw U.S. volume grow 9.3% to $254.4 million in 1990.

"Microsoft, which we started with in 1989, showed good gains in 1990," says O&M Direct Chairman-CEO Jerry Pickhardt of the 16% gain. "Avon CARD, American National Bank and Xerox, plus new business from existing clients American Express and AT&T [all contributed to the] gain in volume."

Rapp Collins Marcoa, Chicago, retaining the No. 3 spot, saw U.S. volume grow 7.6% in 1990 to $243.2 million. Direct Marketing Group, New York, the No. 4 agency, slipped 2.3% to $146.2 million in 1990. DMG's commitments to finance-related clients may have played a part in the drop.

"1990 was a year of recession on a national scale," says Chairman John de Pasquale. "It was hard on the service industries, and direct marketing is a service." He hopes the industry's attempts to "penetrate the package-goods business" will counter losses in other markets.

Among agencies with direct-response billings, Foote, Cone & Belding Communications, Chicago, held No. 1 again by a comfortable margin. The agency's direct-response volume inched up 1.9% in 1990, to $214.3 million.

No. 2 on the list is Lintas:Marketing Communications, Warren, Mich., with its U.S. direct-response volume up by 14.4% in 1990, to $123 million. Volume at the No. 3 agency, Clarion Marketing & Communications, Greenwich, Conn., rose 13.8% to $52.9 million.

Direct mail continues to be the main medium carrying the direct-response message. Direct mail accounted for nearly 66%, or $1.4 billion, of total direct-response media spending.

Total U.S. direct-response media billings climbed 18.3% in 1990, to $2.1 billion. This total applies only to agencies that broke out billings by media on survey forms.

Commissionable billings for direct-response media rose about 19.5% to $780.1 million in 1990. Materials and services—mark-ups for outside work—jumped 28.3% to $411.1 million.

> **"In recessionary times . . . [some companies] can afford to take $3 million from advertising and move it to direct for tactical purposes.'**

Capitalized fees—derived by equating agency fees with billings—rose 17%, to nearly $2 billion in 1990. Worldwide volume of reporting agencies increased 16% reaching $5.1 billion, compared with $4.4 billion in 1989.

None of the fiscal advances shown this year deny the larger economic realities of 1990 and 1991, however.

"The recession has had an effect," says Barbara Lask, president of Smith Lask Associates, Chicago. "But the economic difficulties are more precipitated by the postage increase," she says. "As a direct result of the recession, clients canceled projects, plus they cut down the number of mailings and the quantity per mailing."

"We lost two retail clients," says James Bloch, president of James & Thomas, Chicago. "We're running into a group of marketing managers who want tighter control, so they take work in-house."

For the immediate future, hopes are up among most U.S. direct-response agencies. Among all agencies responding to the survey, nearly two-thirds look for an upswing in 1991.

Nearly 64% expect business to increase, with 28.4% looking for 1% to 5% increases in direct-response spending by clients, and another 18.8% looking for a 6% to 10% rise.

McCann Direct President William Morrissey, who predicts a 6% to 10% rise, expects business to be solid and growing for a long time—even 10 years down the road. But it's not an all-bright horizon.

"Long term, as the cost of information goes down and the need for targeting specific consumers goes up, the direct-response industry will benefit," he says.

"With the demand by consumers to be treated as individuals, and the recognition by clients that direct response can deliver that targeting, we can look for a merger of general advertising with direct marketing. The mix will create something new that better meets the needs of consumers."

"1991 is . . . a time to be cautiously optimistic, to wait and see," says Mr. Pickhardt. Beyond 1991, however, "The future looks very hopeful. We're on the growth side of the [marketing] equation. We are moving into a good environment for one-on-one marketing, relationship marketing."

Less than a quarter of respondents, 23.1%, expect client spending to drop in 1991. One of those is Mr. Bloch, who doesn't expect clients to bounce back soon. He predicts business could be down 6% to 10% in 1991.

"We do have a significant portion of clients holding back on advertising, promotion, brochures, catalogs until they see the light at the end of the tunnel," he says. "Now, in the spring of 1991, we are seeing some light, but they are not opening their wallets." □

Kenneth Wylie is an Evanston, Ill.-based free-lance writer.

Top U.S.-based direct-response agencies by U.S. volume

Rank '90	Rank '89	Agency, headquarters	Direct response volume 1990	1989	% chg	Media billed as % of 1990 volume TV	Radio	Print	Direct mail	Top executive	Telephone	Signed
1	1	**Ogilvy & Mather Direct**, New York	$354,180	$304,980	16.1	25.5%	0.[illegible]	3.2%	68.3%	Jerome W. Pickholz, chmn, ceo	(212) 237-6000	
2	2	**Wunderman Worldwide**, New York	254,374	232,776	9.3	28.7%	0.5%	22.1%	48.7%	Lester Wunderman, chmn	(212) 941-3000	✓
3	3	**Rapp Collins Marcos**, Chicago	243,160	226,000	7.6	8.8%	0.7%	13.4%	31.1%	David Hefter, chmn	(312) 454-0660	✓
4	4	**Direct Marketing Group**, New York	146,200	149,600	(2.3)	NA	NA	NA	NA	John A. de Pasquale, chmn	(212) 355-2530	
5	6	**Kobs & Draft Advertising**, Chicago	134,300	116,900	14.9	15.2%	2.5%	13.1%	10.5%	Howard Draft, president	(312) 944-3500	✓
6	11	**Bronner Slosberg Humphrey**, Boston	127,226	79,789	59.5	NA	NA	NA	NA	Michael E. Bronner, ceo	(617) 737-2020	✓
7	5	**Grey Direct**, New York	120,000	119,000	0.8	12.5%	NA	25.8%	51.7%	George Wiedemann, president	(212) 303-2300	✓
8	14	**DMCA Direct**, Bridgeton, Mo.	107,768	61,345	75.7	NA	NA	NA	100.0%	Michael T. McSweeney, president, ceo	(314) 344-8000	
9	8	**Saugatuck Group**, Westport, Conn.	102,399	100,690	1.7	NA	NA	0.5%	NA	Gary Oakley, chmn, ceo	(203) 226-8166	
10	7	**Barry Blau & Partners**, Fairfield, Conn.	100,916	101,175	(0.3)	NA	NA	NA	NA	Barry Blau, chmn	(203) 254-3700	✓
11	16	**Chapman Direct**, New York	100,097	48,198	107.7	14.0%	1.0%	16.0%	60.0%	William P. Sutherland, president, ceo	(212) 614-3880	✓
12	9	**Bowes Dentsu & Partners**, Los Angeles	97,119	92,401	5.1	NA	NA	NA	NA	Murray R. Bowes, chmn, ceo	(213) 930-5100	✓
13	13	**Cohn & Wells/Eurocom**, San Francisco	96,027	64,393	49.1	NA	NA	4.9%	95.1%	Bradley Wells, chmn, mgng ptnr	(415) 788-0525	
14	10	**Devon Direct Marketing & Advertising**, Berwyn, Pa.	94,200	82,000	14.9	NA	NA	3.4%	57.0%	R. Greene, J. Perry, mgng dirs	(215) 644-0333	✓
15	12	**Customer Development Corp.**, Peoria, Ill.	68,527	68,873	(0.5)	NA	NA	NA	100.0%	Thomas Lund, chmn	(309) 689-1000	
16	18	**Saatchi & Saatchi Direct**, New York	61,936	43,542	42.2	NA	NA	NA	NA	Debra Newkerk, president	(212) 463-3600	
17	19	**GSP Marketing Services**, Chicago	55,236	43,315	27.5	NA	NA	NA	NA	Richard Grunstein, president	(312) 944-3000	✓
18	15	**Lowe Direct**, New York	52,500	55,000	(4.5)	NA	NA	NA	NA	J. Robert Lieber, mgng dir	(212) 708-8850	✓
19	17	**Ayer Direct**, New York	50,000	48,000	4.2	NA	NA	NA	NA	Beverly Beaudoin, exec vp, gen mgr	(212) 474-5000	
20	23	**Perkins/Butler Direct Marketing**, New York	49,000	35,000	40.0	NA	NA	NA	NA	Bill Butler, chmn, ceo	(212) 243-6868	✓
21	20	**McCann Direct**, New York	46,000	40,000	15.0	NA	NA	NA	NA	William Morrissey, exec vp	(212) 286-0460	✓
22	21	**Intergroup Marketing & Promos.**, Bloomfield Hills, Mich.	43,697	39,492	10.6	NA	NA	NA	NA	David Sowe, cfo	(313) 433-5200	✓
23	27	**Barnum & Souza**, New York	43,000	27,380	57.0	7.6%	NA	31.1%	NA	Jay Vigotov, exec vp	(212) 995-2990	
24	22	**Walter Latham Co.**, Broadview, Ill.	42,000	39,000	7.7	NA	NA	NA	100.0%	B[illegible] Soljacich, president	(708) 345-8787	
25	25	**Stenrich Group**, Glen Allen, Va.	39,123	29,021	34.8	NA	NA	NA	90.6%	S[illegible]en R. Isaac, president	(804) 747-1202	
26	24	**Manus Direct Response Marketing**, Seattle	36,700	31,200	17.6	NA	NA	NA	100.0%	Cliff Asplund, president	(206) 325-2200	
27	36	**Williams Television Time**, Santa Monica, Calif.	31,427	17,573	78.8	100.0%	NA	NA	NA	Kathleen Williams, president, ceo	(213) 828-8600	✓
28	30	**Brierly & Partners**, Dallas	30,650	23,181	32.2	NA	NA	100.0%	NA	Harold Brierly, president	(214) 760-8700	✓
29	26	**Steinert & Associates**, New York	28,047	27,500	2.0	NA	NA	13.0%	73.1%	Jan Allan Steinert, president, ceo	(212) 889-5000	
30	35	**Wilson Sculley Associates**, St. Louis	25,574	18,336	39.5	NA	NA	NA	57.2%	John W. Sculley, president	(314) 434-1870	✓
31	28	**Lawrence Butner Advertising**, New York	25,246	25,240	0.0	63.9%	11.9%	3.4%	3.3%	Lawren[illegible]tner, president	(212) 682-3200	✓
32	41	**McClure & Co.**, Valley Forge, Pa.	22,438	15,001	49.6	15.2%	NA	24.8%	60.0%	Thomas R. McClure, president	(215) 933-0933	✓
33	37	**Herring/Newman**, Seattle	21,321	16,985	25.5	NA	NA	NA	NA	Phil Herring, president	(206) 343-9654	✓
34	32	**Fox MMJM Direct**, New York	21,105	20,071	5.1	0.5%	NA	41.0%	44.8%	Neil S. Fox, president, ceo	(212) 683-0002	✓
35	40	**Wakeman & deForrest**, Irvine, Calif.	18,178	15,281	19.0	1.4%	2.5%	7.6%	29.6%	William W. Junkin, president, ceo	(714) 261-2424	
36	34	**Sandven & Associates**, Overland Park, Kan.	17,570	18,431	(4.7)	NA	NA	NA	NA	Frederick M. Sandven, president	(913) 338-3600	
37	38	**Kern/Mathai Direct Marketing**, Los Angeles	17,328	16,348	6.0	NA	NA	NA	NA	Russell Kern, president	(213) 473-6006	
38	42	**Tracy-Locke Direct**, Dallas	16,650	14,400	15.6	2.4%	4.9%	15.2%	NA	David Kubes, president	(214) 969-9000	✓
39	39	**Sacks & Rosen Response Strategems**, New York	16,005	16,000	0.0	6.2%	3.1%	15.6%	50.0%	Leonard Sacks, president	(212) 826-4004	
40	31	**Nash Direct**, New York	15,675	21,003	(25.4)	3.2%	2.6%	4.5%	2.6%	Edward Nash, president	(212) 758-0120	
41	43	**More Direct**, Minneapolis	15,501	13,584	14.1	NA	NA	NA	NA	Mark Morris, ceo	(612) 872-1616	
42	45	**Townsend Agency**, Rosemont, Ill.	15,394	12,413	24.0	NA	1.5%	NA	98.5%	David Ives, vp	(708) 318-9010	
43	29	**Bozell Direct**, New York	15,100	23,300	(35.2)	NA	NA	100.0%	NA	Mike Sowyak, vp mgr	(212) 727-5000	✓
44	NA	**Direct Marketing Agency**, Stamford, Conn.	14,674	NA	NA	NA	NA	1.1%	13.9%	Norman J. Suslock, chmn, president	(203) 325-2800	
45	76	**David Deutsch Associates**, New York	13,500	800	1,587.5	80.0%	5%	5.9%	11.1%	David Deutsch, chmn	(212) 995-7500	
46	46	**Karl Rove & Co.**, Austin, Texas	1[illegible]276	10,661	24.5	NA	NA	NA	30.3%	Karl Rove, president	(512) 479-6601	
47	44	**Hal Langerman Co.**, Blue Bell, Pa.	13,173	12,656	4.1	NA	NA	NA	NA	Doris Tustin, mgng ptnr	(215) 646-5939	
48	33	**Berenson, Isham & Partners**, Boston	12,835	18,691	(31.3)	0.2%	0.2%	4.3%	14.8%	Paul S. Berenson, president	(617) 423-1120	✓
49	49	**Lortz Direct Marketing**, Omaha, Neb.	12,322	8,651	42.4	10.8%	NA	77.7%	0.8%	Gary Lortz, president	(402) 331-5740	✓
50	58	**Creative Direct Marketing Group**, Torrance, Calif.	10,085	4,613	118.6	NA	NA	NA	NA	Craig A. Huey, president	(213) 212-5727	
51	50	**Database Marketing Corp.**, Burlington, Mass.	9,608	7,750	24.0	NA	NA	NA	100.0%	Bill Davis, president	(617) 270-3500	
52	53	**Fletcher, Gampper & Wirth**, Kansas City, Mo.	8,332	6,411	30.0	NA	NA	23.3%	9.5%	Andy Fletcher, president, ceo	(816) 471-1880	
53	54	**Ronald James Direct**, Los Angeles	8,000	5,500	45.5	NA	NA	2.5%	87.5%	James Pennington, ptnr	(213) 445-0810	
54	NA	**RSHS-Direct**, New York	7,350	NA	NA	NA	0.4%	28.0%	63.0%	Harry Kraus, mgng dir, sr vp	(212) 505-0200	✓
55	64	**Kobs, Gregory & Passavant**, Chicago	7,015	3,152	122.6	0.7%	NA	3.1%	NA	James F. Kobs, president	(312) 819-2300	✓
56	52	**Smith Lask Associates**, Chicago	6,795	6,411	6.0	NA	NA	1.0%	3.4%	Barbara Lask, president, cd	(312) 222-1900	✓
57	47	**Ad Hoc Marketing Resources**, New York	6,674	9,620	(30.6)	NA	NA	0.5%	NA	P. Carlson, exec vp	(212) 947-7100	
58	48	**Communique**, Brookfield, Wis.	6,550	9,408	(30.4)	NA	NA	NA	NA	Richard Schmidt, president	(414) 785-0400	✓
59	68	**Targetcom Inc.**, Chicago	6,497	2,306	181.8	NA	NA	0.6%	14.9%	Jay Miller, president	(312) 266-0824	
60	56	**Sheldon Fredericks Advertising**, Stamford, Conn.	5,275	4,988	5.8	8.7%	0.8%	25.0%	50.1%	Fred Schwartz, president	(203) 324-0051	✓
61	59	**Sader & Associates**, New York	5,268	4,473	17.8	45.8%	NA	16.1%	2.1%	Archie A. Sader, president	(212) 725-0770	✓
62	NA	**Directech Inc.**, Lexington, Mass.	5,202	4,602	13.0	NA	NA	1.4%	97.6%	Barry Silverstein, president	(617) 861-9797	
63	61	**Bright Ideas**, Tarzana, Calif.	5,103	4,053	25.9	NA	NA	18.1%	81.9%	David Ohringer, president	(818) 342-1551	
64	60	**Tacito Associates**, Dallas	4,800	4,400	9.1	NA	NA	NA	100.0%	A.J. Tacito, president, ceo	(214) 458-2026	
65	57	**K.I. Lipton Inc.**, Doylestown, Pa.	4,450	4,685	(5.0)	NA	NA	12.8%	NA	K.I. Lipton, president	(215) 345-4525	✓
66	65	**Integrated Target Marketing**, Cleveland	4,038	2,846	41.9	NA	NA	4.8%	58.5%	John M. Coe, president	(216) 899-1700	✓

Notes: Dollars are in thousands. See below for methodology. ✓ indicates agency received signature of an independent accountant verifying figures supplied to AA. Rankings for both years computed from figures reported in 1991

(Ranking continues on Page 34.)

METHODOLOGY

Agencies ranked in this report were separated into direct-response agencies and agencies with direct-response billings.

Direct-response agencies must draw 50% of their total billings from direct response. They are ranked, however, by 100% of their billings. If a direct-response total can be isolated for an advertising agency division or subsidiary, the unit appears as a direct-response agency.

The second ranking identifies agencies whose direct-response activity is less than 50% of total billings. This group largely consists of direct-response billings from advertising agencies.

Rankings are by volume or capitalized billings. Capitalizing brings fees to a billings equivalent by using a 6.67 multiplier. The terms "billings" and "volume" are used interchangeably. □

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Top U.S.-based direct-response agencies (continued)

Rank '90	Rank '89	Agency, headquarters	Direct-response volume 1990	1989	% chg	Media billed as % of 1990 volume TV	Radio	Print	Direct mail	Top executive	Telephone	Signed
67	55	**PSW Direct**, Portland, Ore.	$3,921	$5,028	(22.0)	NA	NA	NA	NA	John Pihas, president	(503) 279-4000	
68	51	**Haynes & Pittenger Direct**, Indianapolis	3,670	6,653	(44.8)	NA	NA	NA	37.0%	Thomas J. Haynes, president	(317) 328-4650	✓
69	67	**Hogan & Associates**, Shawnee Mission, Kan.	3,209	2,513	27.7	NA	NA	4.9%	34.2%	Earl Hogan, president	(913) 677-4580	✓
70	62	**Murphy/Roberts & Associates**, Burbank, Calif.	3,175	3,500	(9.3)	93.7%	NA	0.8%	NA	Tom Roberts, president	(818) 700-6490	
71	74	**National Response Corp.**, Dallas	3,114	944	229.9	NA	NA	65.0%	NA	Phil Kratzer, president	(214) 443-9797	✓
72	63	**James & Thomas**, Chicago	2,588	3,263	(20.7)	NA	2.6%	22.0%	0.8%	William J. Bloch, president	(708) 799-6224	
73	69	**G/R Direct**, Watertown, Mass.	2,366	2,091	13.2	NA	NA	9.1%	90.9%	Richard L. Warren, president	(617) 926-5030	
74	66	**MWA Direct**, Minneapolis	2,112	2,645	(20.1)	NA	NA	NA	100.0%	Michael R. Wikman, president	(612) 522-3673	
75	70	**Liggett Stashower Direct**, Cleveland	2,100	1,700	23.5	NA	NA	NA	NA	Sylvia Morrison, vp, gen mgr	(216) 348-8500	✓
76	73	**MARC Direct**, Pittsburgh	1,972	980	101.2	NA	NA	NA	100.0%	Lisa Bell, dir direct mktg	(412) 562-2000	✓
77	78	**Ronald A. Bernstein Associates**, Chicago	1,701	665	155.7	2.9%	NA	8.8%	2.9%	Ronald Bernstein, president	(312) 440-3700	
78	72	**NKH&W Marketing Communications**, Kansas City, Mo.	1,700	1,045	62.7	NA	11.8%	29.4%	17.6%	F. Peter Kovac, president	(816) 842-8881	
79	75	**Duunyk**, Horsham, Pa.	1,500	900	66.7	NA	13.3%	66.7%	20.0%	Edward J. Shields, exec vp	(215) 443-9406	
80	71	**Harris Brandt Advertising**, Woodmere, N.Y.	1,428	1,402	1.8	5.0%	5.0%	10.0%	80.0%	Harris Brandt, president	(516) 569-7266	✓
81	77	**Warner, Bicking & Fenwick**, New York	1,171	770	51.9	NA	NA	NA	NA	Andrew Morris, president	(212) 759-7900	
82	NA	**R.F. Broadus & Associates**, Atlanta	888	0	NA	NA	NA	78.9%	NA	Robert F. Broadus, president	(404) 237-1503	✓
83	NA	**L.H. Advertising Agency**, Scarsdale, N.Y.	667	0	NA	NA	NA	NA	NA	Leon Henry, ceo	(914) 723-3176	
84	79	**Communicators Group**, Brattleboro, Vt.	103	77	34.4	NA	NA	NA	NA	James E. Hormel, president	(802) 257-4321	✓

Notes: Dollars are in thousands. See Page 32 for methodology. ✓ indicates agency received signature of an independent accountant verifying figures supplied to AA.

Costlier mail to get more intelligent

Despite February's postal rate hike, U.S. direct-response agencies are sticking with the U.S. Postal Service.

That's the majority decision of the 1991 *Advertising Age* direct-response agency survey. More than 53% of survey respondents say they are not likely to use alternate-delivery options in 1991.

"Most of our clients . . . take the attitude, 'You've got to live with it,' " says William Morrissey, exec VP-worldwide director, McCann Direct, New York.

But the industry is reacting to increased rates. To cope with higher mail costs, agencies are turning to tactical regrouping.

U.S. direct-response agencies are paring lists, using them more selectively and winnowing data bases to make sure they reach the most qualified prospects.

Because of the rate increase, 52.4% of respondents expect to lower direct-mail production costs, 51.2% plan fewer mailings, and 66.7% expect to cut the number of prospects receiving direct-mail efforts. Overall direct-response budgets are safe from cuts, say 51.2% of respondents.

"Mail will be used much more intelligently," says David Hefter, chairman of Rapp Collins Marcoa, Chicago. "We will make more use of data bases, find out more about the prospect, mail more directly to each prospect."

Bowes Dentsu & Partners, Los Angeles, "is getting better [at data-base marketing] all the time, so we're dropping less valuable names," says Chairman-CEO Murray Bowes.

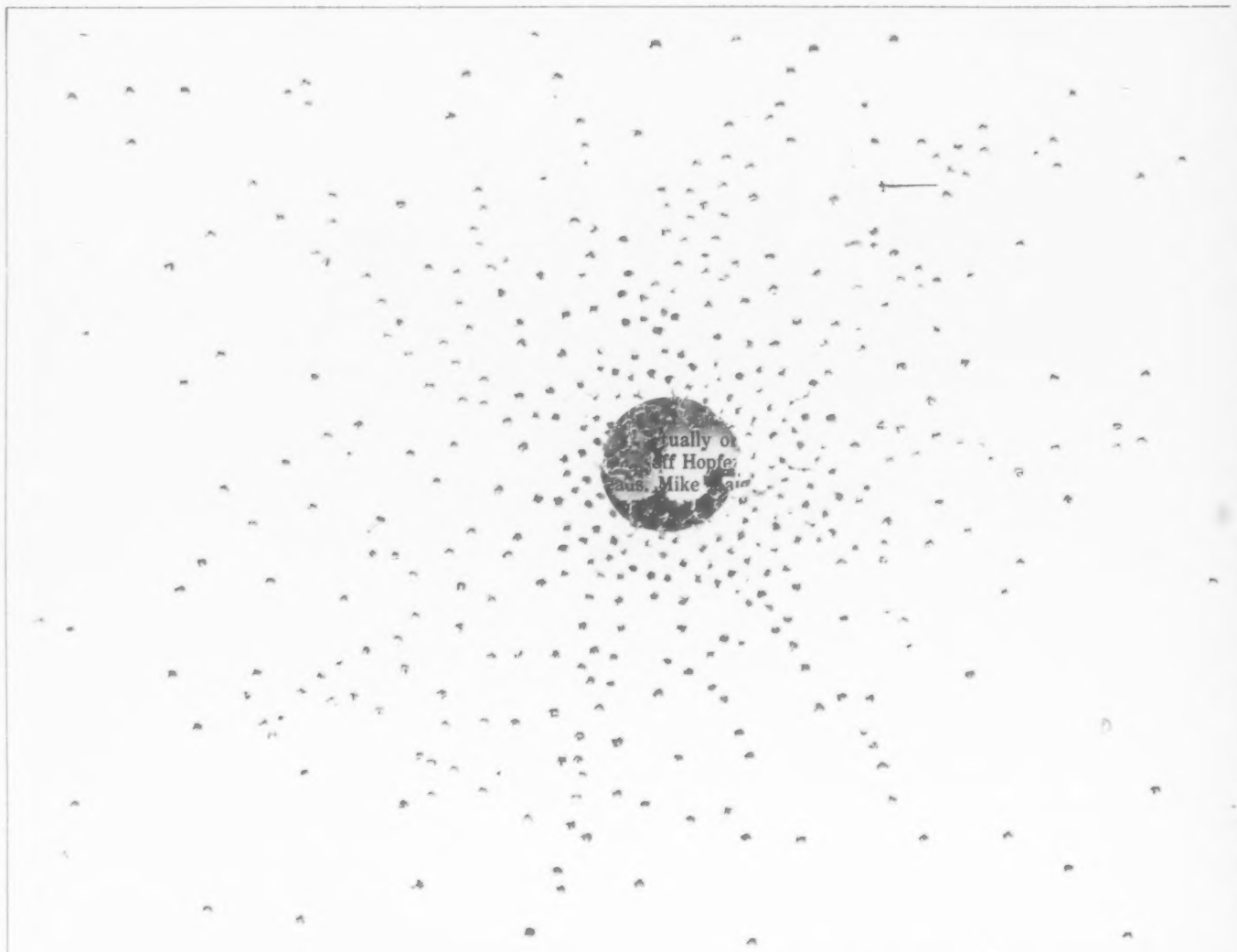
"The difference is we've sorted and know who are prospects and who are merely suspect, so even with 25% higher postage we can stay even with costs."

In reaction to the postal increase, 57.1% of respondents say it is "likely" or "very likely" they will increase their use of non-mailed media.

Respondents don't expect the

(Continued on Page 35)

Contributing to this section were Milwaukee-based free-lance writer Peg Masterson and Denver-based free-lance writer Nan O'Neil.



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By feeding the responses from those programs back into your database, you establish ongoing relationships with customers and prospects. You communicate with customers as individuals, not just as

Top U.S. ad agencies by direct-response billings

Rank '90	Rank '89	Agency, headquarters	Direct-response volume 1990	1989	% chg	Top executive	Telephone	Signed
1	1	**Foote, Cone & Belding Communications**, Chicago	$214,300	$210,400	1.9	James Tennant, sr vp	(312) 751-7000	✓
2	2	**Lintas:Marketing Communications**, Warren, Mich.	123,002	107,522	14.4	J. Bernardin, chmn	(313) 574-3400	✓
3	3	**Clarion Mktg. & Communications**, Greenwich, Conn.	52,886	46,480	13.8	Barry Sideroff, sr vp	(203) 531-3600	✓
4	5	**Ross Roy Group**, Bloomfield Hills, Mich.	44,736	35,291	26.8	Leonard Short, sr vp, gen mgr	(313) 433-6000	
5	4	**Hill, Holliday, Connors, Cosmopulos**, Boston	31,242	35,945	(13.1)	George J. Hill, chmn	(617) 437-1600	✓
6	7	**Kallir, Philips, Ross**, New York	27,214	20,183	34.8	Eileen Marshall, sr vp, gen mgr	(212) 856-8400	✓
7	6	**Earle Palmer Brown Cos.**, Bethesda, Md.	25,500	22,600	12.8	Jeremy Brown, ceo	(301) 657-6000	
8	8	**Admarketing Inc.**, Los Angeles	20,580	19,300	6.6	Jack Roth, president, ceo	(213) 203-8400	
9	9	**Cramer-Krasselt Direct**, Chicago	18,583	17,429	6.6	Peter Krivkovich, president	(312) 616-9600	✓
10	12	**Gross Townsend Frank Hoffman**, New York	18,000	10,000	80.0	Alan Gross, president	(212) 886-3000	✓
11	23	**Ally & Gargano**, New York	14,000	5,910	136.9	William Luceno, ceo	(212) 688-5300	
12	18	**Klemtner Advertising**, New York	12,100	7,900	53.2	Gavin A. Scott, president, ceo	(212) 463-3400	
13	17	**W.B. Doner & Co.**, Southfield, Mich.	11,019	8,189	34.6	H.D. Fried, chmn	(313) 354-9700	
14	11	**William Biggs/Gilmore Associates**, Kalamazoo, Mich.	10,325	10,269	0.5	C. Barton, vp, gen mgr	(616) 349-7711	
15	NA	**Ammirati & Puris**, New York	10,000	NA	NA	Gary Derish, creative dir	(212) 206-0500	
16	16	**S.R. Leon Co.**, Oyster Bay, N.Y.	9,650	8,500	13.5	Thomas Leon, president, ceo	(516) 922-0031	✓

Notes: Dollars are in thousands. See Page 32 for methodology. ✓ indicates agency received signature of an independent accountant verifying figures supplied to AA.

(Ranking continues on Page 36.)

(Continued from Page 34)

postal hike to hurt U.S. dollar volume in a big way. More than 38.1% say it will have no impact, while 16.8% say their dollar volume projections would either be flat or increase up to 4.9% without the postal hike. Another 10.7% say the hike will hit them harder, projecting business would have improved 5% to 9.9% over projections without the postal increase.

The postal-rate jump also is pushing direct-response shops to come up with more creative solutions to problems, say some respondents. "Postal increases," says Mr. Bowes, "force us to be better marketers."

—Ken Wylie

Data-base billings soar 32.7%

Speculation about the potential of data-base marketing is fast being replaced with hard data testifying to its revenue-generating power.

Advertising Age's survey of direct-response agencies shows a 32.7% jump in billings, to $59 million, generated by internal data-base operations in 1990. Actual data-base business volume is believed much higher because only 17 agencies provided information on their data-base activities.

Also keep in mind data-base marketing still is in its infancy, says David Hefter, chairman of Rapp Collins Marcoa of Chicago, who along with 42.9% of survey respondents says data-base marketing has "high" growth potential for 1991.

Targeting customers by means of computerized information will become further refined as new demographic and U.S. Census data are included, says Mr. Hefter.

He says targeting also allows clients to purge less-qualified prospects from their circulation. "It's the future of all marketing," Mr. Hefter says.

Survey respondents' gross billings from telemarketing also saw a big leap in 1990: up 46.6% from 1989 to $5.6 million.

But survey respondents expect little to no growth for 800 and 900 numbers and telemarketing solicitation in 1991.

That response may result from negative consumer reaction to out-bound telemarketing, says Murray Bowes, chairman-ceo of Bowes Dentsu & Partners, Los Angeles. Those pressures could bring the medium under governmental regulation if the industry doesn't do something soon, he says.

"There are some real issues of privacy. I believe if the industry doesn't regulate itself, it will be regulated," Mr. Bowes warns.

Survey respondents report catalogs—the great-granddaddy of direct-marketing tools—showed a 36.7% increase in revenues, but 57.2% of respondents expect little or no catalog growth in '91.

Added costs from the postal increase and a crowded field of competitors will weed out weak contenders in the catalog market in 1991, says Mr. Hefter.

Nevertheless, "the big positive that will keep catalogs going is the fact that no one is at home anymore," Mr. Bowes says.

—Nan O'Neil

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Top U.S. ad agencies by direct-response billings (continued)

Rank '90	Rank '89	Agency, headquarters	Direct-response volume 1990	1989	% chg	Top executive	Telephone	Signed
17	14	**Abelson-Taylor**, Chicago	$8,880	$8,761	1.4	Marv Abelson, chmn	(312) 781-1700	✓
18	20	**Creswell, Munsell, Fultz & Zirbel**, Cedar Rapids, Iowa	8,580	6,316	35.8	F.C. Baker, president	(319) 395-6500	✓
19	13	**Baxter Gurian & Mazzei**, Beverly Hills, Calif.	8,100	9,300	(12.9)	Donald Baxter, chmn	(213) 657-5050	✓
20	19	**Messner Vetere Berger Carey Schmetterer**, New York	8,000	7,500	6.7	Robert Schmetterer, president	(212) 886-0200	
21	10	**Marketing Resources**, Overland Park, Kan.	7,417	12,130	(38.9)	Frank G. Weyforth, ceo	(913) 648-8333	
22	26	**Girgenti Hughes Butler & McDowell**, New York	7,330	5,030	45.7	Steven Girgenti, president, ceo	(212) 481-7080	✓
23	15	**Ketchum Communications**, Pittsburgh	6,770	8,678	(22.0)	William Genge, chmn	(412) 456-3500	✓
24	24	**Carmichael Lynch**, Minneapolis	6,738	5,770	16.8	Lou Bacig, president	(612) 334-6000	✓
25	21	**J. Richard Smith Advertising**, Old Bethpage, N.Y.	6,363	6,300	1.0	Michael S. Smith, president	(516) 293-8700	✓
26	25	**William Douglas McAdams**, New York	6,100	5,500	10.9	Irwin C. Gerson, chmn, ceo	(212) 698-4000	
27	22	**McCaffrey & McCall**, New York	6,000	6,000	0.0	Robert Cherins, chmn, ceo	(212) 350-1000	
28	NA	**Duffy & Shanley Direct**, Providence, R.I.	5,343	NA	NA	David A. Duffy, president	(401) 274-0001	✓
29	35	**Hesselbart & Mitten**, Fairlawn, Ohio	5,212	3,207	62.5	Keith Sutton, svp	(216) 666-3727	✓
30	28	**Asher/Gould Advertising**, Los Angeles	5,200	4,500	15.6	Bruce Silverman, president	(213) 931-4151	✓
31	27	**Jack Levy & Associates**, Chicago	5,050	4,625	9.2	Jack Levy, president	(312) 332-7540	
32	30	**Weightman Group**, Philadelphia	4,729	4,036	17.2	Charles Coffey, chmn, ceo	(215) 561-6100	
33	36	**Wolf, Mansfield, Bolling**, Buffalo, N.Y.	4,580	3,050	50.2	Larry Wolf, chmn	(716) 866-4000	
34	37	**Floathe Johnson Associates**, Kirkland, Wash.	4,268	3,001	42.2	Maury Floathe, president	(206) 822-8400	✓

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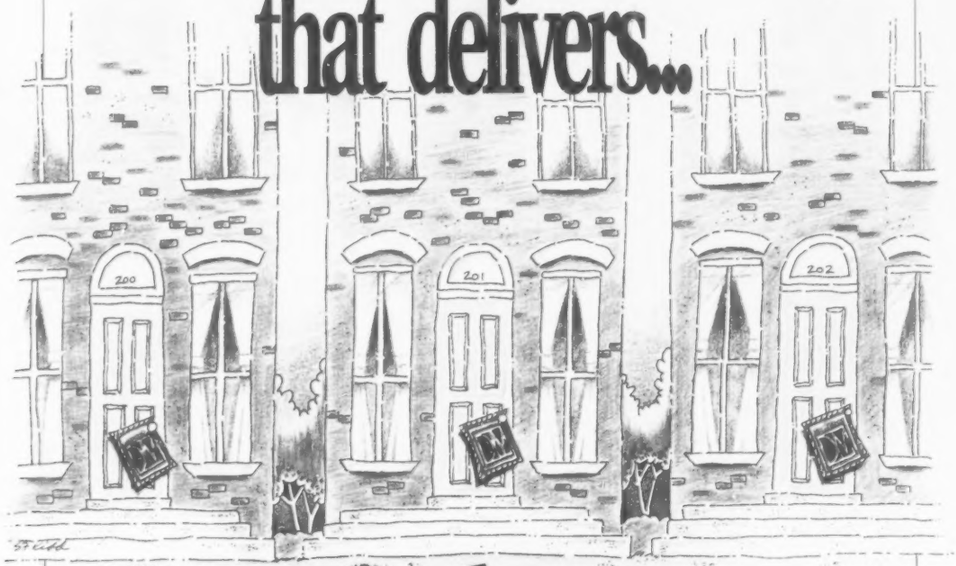

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Direct-sell TV hits a hot button

Don't touch that dial!

Executives at direct-response agencies say there is strong growth potential for direct-response television, some of that coming from advertisers who have never before used direct response in their media mix.

Advertising Age's direct-response agency survey shows TV billings grew 36.8% from 1989 to 1990, compared with 19% growth in print and 15.7% in direct mail. Radio billings decreased 4.11% in the same time period.

Respondents say the use of television will continue to grow in 1991—39.3% give it high growth potential. Despite decrying the postal-rate hike, more than 45% of respondents expect high growth for direct mail in 1991; 39.3% see high growth for print.

Ogilvy & Mather Direct, New York, is projecting high growth for direct-response TV. Pam Reese, the agency's VP-general manager, says several clients recently have reallocated direct-response dollars from print to TV.

TV also is becoming more of an entry-point medium for first-time direct-response marketers, she says.

"We have a couple of clients that weren't doing any direct-response advertising starting with direct-response TV. . . . In the past they most often started with direct mail," Ms. Reese says.

William Sutherland, president of Chapman Direct, New York, sees growth in TV coming from clients who have spent most of their TV dollars in general-awareness advertising.

"They're shifting money into a medium they know, but making it response-oriented," he says. "These kinds of clients want to continue consistency in brand awareness, but at the same time measure [the effectiveness of] their advertising."

Mr. Sutherland sees a new "hybrid" of direct-response TV that is not as hard sell as traditional methods.

"It's a softer sell compared to where the direct-response industry has been in television, but a harder sell for clients who have not been in direct sell," he says.

Ms. Reese sees some growth potential in business-to-business direct mail and says radio—although limited in its appeal—can be used as part of a media plan as well as in markets where TV is not dominant. She also sees growth in non-traditional media such as laser discs and on-line computer access.

—Peg Masterson

Cost-cutting regime: Bring work in-house

Tough times are changing, rather than diminishing, business at direct-response shops, some executives say.

Nearly 27.4% of the agency executives surveyed by *Advertising*

Age say some of their clients have brought some direct-response functions in-house since 1989.

More than 31% of respondents also say clients are subcontracting work independent of their direct-response agencies, cutting shops out of a portion of direct-response activities to contain costs or exercise greater control.

"Direct-marketing agencies are slowly getting out of the business of mass production because the clients can't afford it," says John Coe, president of Integrated Target Marketing, Cleveland.

Clients are aware of the actual costs of production, he says, and some are learning to just say no to comparatively high agency mark-ups.

Mr. Coe predicts agencies that continue to mass produce for clients and charge steep mark-ups will become obsolete, losing out to clients' in-house production departments.

Pam Reese, VP-general manager of Ogilvy & Mather Direct, New York, says although she has seen a trend toward in-house production by clients in the last few years, she also sees agencies growing in the area of strategic consulting.

"In light of the new postal regulations . . . some of our clients are using us as consultants because of the expertise we bring," Ms. Reese says. "They want an objective viewpoint to really make sure they're doing their production the most effective way."

The additional consulting work has "more or less" offset losses in production-generated revenues, says O&M Direct President Shelly Lazarus.

Agencies that have lost work to clients' in-house departments have suffered, she adds. "I think those agencies would have to rethink their whole compensation scheme."

As a result of the shift, some agencies are forming joint ventures and strategic alliances with ancillary service providers, such as computer-service bureaus and telemarketers.

Of the agencies surveyed, 19% have established formal relationships with such service providers, and Ms. Reese predicts that number will climb.

Agencies, however, still need to have an expert on staff to ensure the work is done correctly, she says.

"You have to have people on staff who have a very clear understanding of the area . . . because ultimately you're responsible to the client, so it's your job to make sure you're delivering a high standard," says Ms. Reese.

—Peg Masterson

Top U.S. ad agencies by direct-response billings (continued)

Rank '90	Rank '89	Agency, headquarters	Direct-response volume 1990	1989	% chg	Top executive	Telephone	Signed
35	33	**Slater Hanft Martin**, New York	$3,500	$3,500	0.0	Jerry Martin, chmn	(201) 674-3100	
36	50	**Advertising, Boelter & Lincoln**, Madison, Wis.	3,108	1,214	156.1	Robert Boelter, president	(608) 251-3381	✓
37	40	**Keroff & Rosenberg Advertising**, Chicago	3,000	2,500	20.0	William B. Keroff, ptnr	(312) 321-9000	✓
38	29	**Hal Riney & Partners**, San Francisco	3,000	4,500	(33.3)	Hal Riney, chmn	(415) 981-0950	
39	43	**S.J. Weinstein Associates**, New York	3,000	2,000	50.0	Barry R. Frankel, president	(212) 206-0222	✓
40	32	**Lally, McFarland & Pantello**, New York	2,900	3,500	(17.1)	Ronald G. Pantello, president	(212) 532-1000	
41	38	**Marquardt & Roche**, Stamford, Conn.	2,870	2,721	5.5	Susan Uhlick, mgr dir	(203) 327-0890	
42	51	**Centric Communications**, Dayton, Ohio	2,500	1,100	127.3	Timothy J. Hull, coo	(513) 429-1080	✓
43	42	**Salthouse-Torre-Norton**, Rutherford, N.J.	2,136	2,001	6.8	Joe Torre, chmn, ceo	(201) 933-7000	✓
44	49	**Eisner & Associates**, Baltimore	2,050	1,250	64.0	Steven C. Eisner, president, ceo	(301) 685-3390	✓
45	31	**Grant/Jacoby**, Chicago	2,000	4,000	(50.0)	Bruce I. Carlson, chmn	(312) 664-2055	✓
46	41	**Sales Development Associates**, St. Louis	1,821	2,178	(16.4)	Ken Hieronymus, chmn	(314) 862-8828	
47	NA	**Romann & Tannenholz Advertising**, New York	1,680	NA	NA	Gad Romann, chmn	(212) 645-0300	✓
48	45	**Fogarty & Klein**, Houston	1,501	1,610	(6.8)	W.H. Fogarty, R.E. Klein, co-ceos	(713) 528-3354	
49	44	**Launey, Hachman & Harris**, New York	1,401	1,620	(13.5)	Robert E. Launey, president	(212) 679-1702	
50	46	**Kaufman & Maraffi Advertising**, New York	1,400	1,400	0.0	John B. Maraffi, president	(212) 867-0670	
51	48	**Al Paul Lefton Co.**, New York	1,300	1,300	0.0	Al Paul Lefton Jr., president, ceo	(212) 867-5100	
52	52	**Miller Meester Advertising**, Minneapolis	1,290	1,030	25.2	Diane North, vp, dir mktg	(612) 337-6600	

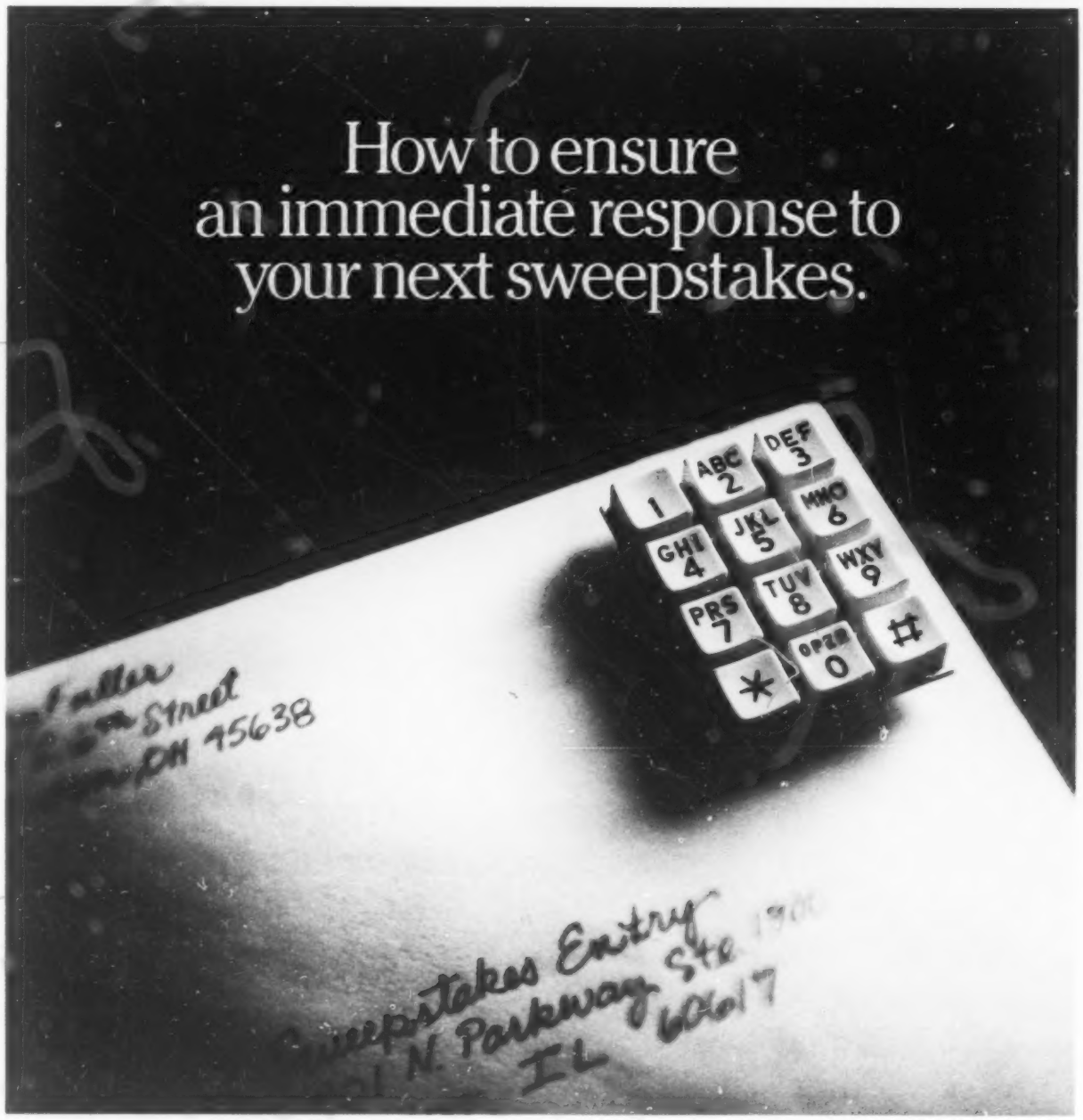
Short client list best for most shops

Keeping all your eggs in one basket may seem a risky business venture, but it appears to be a strategy for achieving stability among direct-response shops.

About 65.5% of direct-response agency executives surveyed by *Advertising Age* have five or fewer clients that account for at least 50% of their dollar volume. Only 20.2% spread the

(Continued on Page 38)

How to ensure an immediate response to your next sweepstakes.



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To find out how voice response can make your sweepstakes much more successful, call us at **1-800-432-0080.**

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Top U.S. ad agencies by direct-response billings (continued)

Rank '90	Rank '89	Agency, headquarters	Direct-response volume 1990	1989	% chg	Top executive	Telephone	Signed
53	34	**VanSant, Dugdale & Co.**, Baltimore	$921	$3,267	(71.8)	Kenneth E. Mayhorne, chmn	(301) 539-5400	
54	54	**Larkin, Meeder & Schneidel**, Dallas	915	862	6.1	Carl Larkin, chmn, president	(214) 688-7070	✓
55	57	**Gray Kirk & Evans**, Baltimore	890	685	29.9	Roger L. Gray, president, ceo	(301) 727-4306	✓
56	47	**Partners & Shevack**, New York	883	1,366	(35.4)	Brett Shevack, president, ceo	(212) 245-7300	
57	NA	**Stone, August, Baker Communications Cos.**, Troy, Mich.	811	NA	NA	James M. August, president	(313) 641-0400	
58	56	**Waldbillig & Besteman**, Madison, Wis.	794	733	8.3	William J. Waldbillig, president	(608) 238-4767	
59	60	**MarketAide**, Salina, Kan.	782	545	43.4	Gary Ray, ceo	(913) 825-7161	✓
60	59	**Pedone & Partners**, New York	750	550	36.4	Michael F. Pedone, president	(212) 319-2000	✓
61	NA	**Rhea & Kaiser Advertising**, Naperville, Ill.	656	NA	NA	Stephen L. Rhea, president	(708) 505-1100	
62	55	**Penny/Ohlmann/Neiman**, Dayton, Ohio	633	764	(17.2)	Walter Ohlmann, president, ceo	(513) 278-0681	✓
63	80	**DK Group**, Hillsdale, N.J.	612	111	451.7	Richard Knel, president	(201) 358-6100	✓
64	65	**Quaily & Co.**, Chicago	600	400	50.0	Robert Quaily, president	(312) 944-0237	✓
65	39	**Lord, Dentsu & Partners**, New York	504	2,528	(80.1)	Richard J. Lord, chmn, ceo	(212) 408-2100	✓
66	91	**Buckley DeCerchio Cavalier**, New York	500	50	900.0	Bryan Buckley, chmn	(212) 226-0225	
67	53	**Geer, DuBois**, New York	500	1,000	(50.0)	Peter Geer, chmn	(212) 741-1900	
68	NA	**TH&M Advertising**, Irvine, Calif.	500	NA	NA	Jim Hughes, president	(714) 756-8326	✓
69	68	**John Risdall Advertising**, New Brighton, Minn.	469	327	43.5	John Risdall, president	(612) 631-1098	✓
70	62	**DFK Advertising**, New York	435	435	0.0	Herbert Fried, president	(212) 696-0766	✓
71	66	**Traban, Burden & Charles**, Baltimore	420	400	5.0	Robert Matz, president, ceo	(301) 347-7500	✓
72	64	**Lyons Inc.**, Wilmington, Del.	390	400	(2.5)	William N. Spiker, chmn	(302) 654-6146	✓
73	74	**Arnold Advertising**, Boston	375	201	86.1	Ed Eskandarian, chmn, ceo	(617) 357-1900	✓
74	67	**Hallmark Advertising**, Pittsburgh	350	330	6.1	Marvin Jacobson, president	(412) 471-5300	
75	58	**Soghigian & Macuga**, Washington	325	600	(45.8)	Harry Soghigian, chmn	(202) 337-5151	✓
76	63	**Kolon, Bittker & Desmond**, Troy, Mich.	300	400	(25.0)	John S. Kolon, president, coo	(313) 524-2500	
77	61	**Mintz & Hoke**, Avon, Conn.	275	450	(38.9)	Joseph M. Hoke, chmn, ceo	(203) 678-0473	✓
78	71	**Newmark, Posner & Mitchell**, New York	270	240	12.5	Sidney Posner, president	(212) 867-3900	
79	70	**Smith, Badolsky & Raffel**, Chicago	255	300	(14.8)	Robert J. Smith, president	(312) 642-0500	

Notes: Dollars are in thousands. See Page 32 for methodology

(Continued from Page 37)

bulk of their revenue-generating business over more than five clients.

Although 64.3% of respondents have agency-of-record status with clients, it appears to be more of a goal for larger agencies.

"I feel more comfortable having a small number of clients and serving them as best I can," says Harris Brandt, president of Brandt Advertising, a smaller direct-response agency in Woodmere, N.Y.

Mr. Brandt, who has no agency-of-record clients and one client responsible for more than half his volume, says he has never lost a large customer and does not worry about the consequences.

"I recently stopped working for a rather large client . . . only because I felt I wasn't able to do my best work. I was able to actually decline work from them and pick up work from other clients," he says.

Mr. Brandt also finds project work more lucrative for his agency than retainer work.

"I feel I would have to lower my price [as agency of record]. Otherwise what's in it for the client? Why would a client commit to me

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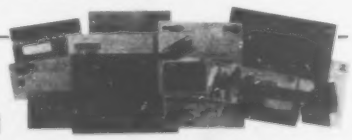

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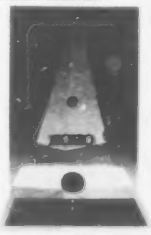
WATS Marketing delivered.

It takes more than outstanding creative to insure the success of a direct marketing campaign. That's why Ogilvy & Mather Direct selected WATS Marketing as the important final link to their "Mover's Advantage" campaign for Ryder Truck Rental.

The campaign generated more than 150,000 leads and earned the agency the prestigious "Diamond Echo Award," the Direct Marketing Association's highest recognition. WATS Marketing's professional experience, customer service and high volume capacity brought do-it-yourself movers and Ryder Truck Rental together for the long ride.

Our congratulations and thanks to Ryder Truck Rental and Ogilvy & Mather Direct for allowing us to share in their success. When you're ready to move on your next direct marketing campaign, choose a company whose marketing philosophy is as innovative as your campaign.

Call Dan Randone at WATS Marketing, 1-800-351-1000.



The Direct Marketing Association's Diamond Echo Award

WATS MARKETING
THE NEXT GENERATION OF TELEMARKETING

AMERICAN EXPRESS INFORMATION SERVICES

WATS Marketing

on an annual basis if he could get the work cheaper?"

With project work, he says "I don't have to drop my price [on] project."

Kobs & Draft, Chicago, has agency-of-record status with 15 of the 20 corporate clients it has maintained over 1989 and 1990.

"Being agency of record gives us an opportunity to be more of a marketing partner [with the client]," says Sid Liebenson, the agency's exec VP-director of marketing. "The alternative is getting just a few projects and not having a good client relationship."

But agency-of-record status does not guarantee a steady cash flow, says Mr. Liebenson, who says his agency charges the same amount for project work as it does for work done on retainer.

Kobs & Draft did see more activity from agency-of-record clients than from others last year, says Mr. Liebenson, but "in a tough economy everybody's going to get burned."

Having agency-of-record status, however, "does mean that if there would be any work, we get it," he says.

—Peg Masterson

Rank '90	Rank '89	Agency, headquarters	Direct-response volume 1990	1989	% chg	Top executive	Telephone	Signed
80	72	**Lavey, Fuller & Perkins Advertising/Marketing,** Chicago	$237	$237	(0.0)	James P. Perkins, president	(312) 440-1818	
81	69	**McCaffery & Ratner,** New York	200	300	(33.3)	Samuel I. Ratner, chmn	(212) 661-8940	
82	73	**Letven/Diccicco,** Horsham, Pa.	195	220	(11.3)	Edward Letven, ceo	(215) 957-0300	✓
83	79	**Holtzman & Silverman Communications.,** Farmington Hills, Mich.	143	123	16.3	Timothy Smith, vp	(313) 851-9600	✓
84	78	**HSA Advertising,** Philadelphia	120	130	(7.9)	Michael Schwartz, president	(215) 546-8000	
85	81	**Reimel Carter Advertising,** Philadelphia	113	110	2.7	T.L. Reimel, president	(215) 735-3200	
86	88	**Kopf Zimmermann Schultheis,** Melville, N.Y.	110	85	29.4	Arthur Zimmerman, president	(516) 293-6115	✓
87	89	**Steen Advertising Corp.,** Elmont, N.Y.	106	82	29.3	Norman Steen, president	(516) 285-3900	
88	82	**Price McNabb Advertising,** Asheville, N.C.	100	109	(7.7)	Charles R. Price Jr., chmn	(704) 255-2600	✓
89	83	**Gearon Hoffman Conlon & Nye,** Boston	100	100	0.0	Bob Conlon, chmn, cd	(617) 247-1522	✓
90	77	**Stan Merritt Advertising,** New York	100	150	(33.3)	Stan Merritt, president, ceo	(212) 867-4650	
91	84	**Nemer, Fieger & Associates,** Minneapolis	100	100	0.0	James Fieger, president	(612) 925-4848	✓
92	85	**Potter Hazlehurst,** East Greenwich, R.I.	100	100	0.0	Thomas Hazlehurst, chmn	(401) 885-7299	✓
93	87	**J. Malek Inc.,** New York	93	90	3.3	Judith Malek, president	(212) 465-9304	✓
94	NA	**A.I.M.,** Foster City, Calif.	81	NA	NA	James H. Fieler, president	(415) 349-5555	✓
95	90	**Hitchins Co.,** Canoga Park, Calif.	60	51	17.6	William E. Hitchins, president	(818) 715-0510	✓
96	86	**Tri-State Advertising Co.,** Warsaw, Ind.	55	100	(44.8)	William L. Kreicker, president	(219) 267-5178	✓
97	75	**McKinney Inc.,** Philadelphia	30	168	(82.4)	Frank W. Callahan, president, ceo	(215) 922-2635	
98	94	**Swanson Russell Associates,** Lincoln, Neb.	24	9	166.7	Steve Russell, president	(402) 475-5191	
99	93	**Elkman Advertising & PR,** Bala-Cynwyd, Pa.	22	13	67.9	Stanley Elkman, chmn	(215) 668-1100	✓
100	92	**Tepe, Hensler & Westerkamp,** Cincinnati	21	19	8.2	George Hensler III, president	(513) 241-0100	✓

Notes: Dollars are in thousands. See Page 32 for methodology.

The '2%' solution gets diluted

Agencies that repeatedly trot out the 2% return rate as the benchmark of a successful direct-response campaign should stay on their toes. Some direct-response executives are becoming cynical of waving such a general measure before clients.

For years, a 2% return has been touted as the benchmark for judging a direct-response effort's success. The *Advertising Age* direct-response agency survey asked if that measure still holds true. The answers brought up an interesting contradiction and raked in more impassioned write-in replies than any other question.

Almost 40% of respondents say they still consider a direct-response campaign successful if it pulls a response rate between 1% and 2.9%.

Yet the industry is too complicated and sophisticated for such a simplistic guideline, according to more than a few respondents.

The 2% rate "was a myth from the beginning and a myth that should be laid to rest," says Murray Bowes, chairman-ceo of Bowes Dentsu & Partners, Los Angeles.

Other direct marketers agree.

"Success should be defined on the basis of net profitability of the advertising campaign for the client," says Ron Greene, principal and managing director of Devon Direct Marketing & Advertising, Berwyn, Pa.

"Net profitability is dependent upon such variables as margins, pricing and overall elements of the campaign," Mr. Greene says.

A campaign generating an apparently high return rate of 25% might not make money if other factors are not in line, says another respondent.

Let the client beware if he hears what Mr. Bowes calls the "2% illusion. To say that is a goal in every campaign makes no sense. I don't know how it ever got started."

—Nan O'Neil

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Advertising Age

May 27, 1991

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Big 3 TV nets play it safe

New season's tight ratings race to offer no 'breakout' programs

By Joe Mandese

The new fall TV shows are now in place, and there's no clear projected network leader as advertisers get ready to plunk down billions of prime-time dollars over the next two months.

After a sneak preview of the new schedules last week, agency media executives said the possibility exists either ABC or CBS next fall could overtake NBC, last season's narrow ratings winner.

The executives also said the relatively conservative scheduling strategies unveiled by the networks did little to break up a pack that's grown increasingly tighter in both household and demographic audience delivery.

Agency executives maintained NBC's just-concluded May sweeps victory doesn't necessarily suggest new momentum for the network, which finished last season just barely ahead of ABC and CBS in household ratings and behind them in some key demographics.

"We're looking at a situation where just a little tweak here and there could cause a change in the standings," said Jack McQueen, senior VP-general manager of FCB/Telecom, Burbank, Calif.

Overall, Mr. McQueen said, the new lineups are based on "familiar stars, safe premises and no big surprises. This is not a situation of one network doing a really good job of scheduling at this point. It's sort of even across the board."

"I've only seen pieces of shows, but there doesn't appear to be anything that is of breakout potential," said Joel Segal, exec VP-director of national broadcasting at McCann-Erickson Worldwide, New York. "I don't see anything that is going to take a network in a time period from a 15 to a 30 share, but I've only seen pieces of the shows."

However, even one or two successful new series launches could make the difference that catapults a network from third to first place, said Paul Schulman, president of Paul

(Continued on Page 36)

CBS Inc.

"The Royal Family"/CBS: "Everyone is crazy about it," an agency executive says. "There's a good buzz on it."

Jerry Fitzgerald ABC

"Step by Step"/ABC: "The show will have to rely on the strength of the kids' characters," an agency buyer says.

New TV shows: Hits and misses

Preliminary predictions of agency media buyers based on their screenings of initial pilots and programming clips.

THUMBS UP:

- "The Adventures of Mark & Brian" (NBC)
- "The Commish" (ABC)
- "Home Improvement" (ABC)
- "Pacific Station" (NBC)
- "Princesses" (CBS)
- "The Royal Family" (CBS)

THUMBS DOWN:

- "I'll Fly Away" (NBC)
- "Nurses" (NBC)
- "P.S. I Luv U" (CBS)
- "Man of the People" (NBC)
- "Home Front" (ABC)
- "Eerie, Indiana" (NBC)

Paul Drinkwater NBC

"Man of the People"/NBC: "Based on the pilot, it will fail. It was awful. . . . NBC is supposed to be redoing it," a buyer says.

LAST MINUTE NEWS

Texas questions GM ads

DALLAS—The Texas attorney general is threatening to sue General Motors and agency McCann-Erickson Worldwide, New York, for alleged deceptive adver.. ng. At issue is a corporate campaign for the Cadillac division's winning of the U.S. Department of Commerce's 1990 Malcolm Baldrige National Quality Award. Representatives of the attorney general and GM plan to meet this week to try to reach agreement on a consent judgment. The formal notice of intent to sue contends the ads misrepresented the award in six instances, including the number of applicants and a statement that the department had praised Cadillac's 4.9-liter engine and its Customer Relations Center. A GM spokesman said the company already corrected advertising regarding the number of applicants but said GM contends the advertising otherwise was "accurate and not misleading."

Ayer adds Green to board

NEW YORK—N W Ayer named Marvin Green Jr., 54, former ceo of eeves Communications Corp., as its st outside director amid rumors Green had bought as much as of the privately held agency to e what one source called a

(Continued on Page 8)

INSIDE

David J. Lans

BusinessTrack: Computers pace agency move, efficiency. **Page 22**

AdTest: New column puts Post on spot. **Page 38**

Camel vs. Marlboro

New Ninety Nines entry will box with the leader

By Judann Dagnoli

R.J. Reynolds Tobacco Co. is trying to break from the pack with a line extension of Camel cigarettes being promoted as if it were a new free standing brand.

The company in July starts marketing on the West Coast Camel Ninety Nines, which despite its name is equivalent to a 100-millimeter-size Camel filter. Ninety Nines will come in hard-box style only.

With the introduction, RJR appears to be following an industry trend of giving established brands new twists to make news in the $40 billion market, already jammed with nearly 400 brands.

Though a line extension of RJR's 75-plus-year-old flagship brand, Camel Ninety Nines' different name "is to make it stand out from the competition," s d Peggy Carter, manager of r edia relations.

RJR said Camel Ninety Nines is aimed at both women and men, specifically smokers of Philip Morris USA's market leading Marlboro. But industry experts are confused at the target audience, noting that while cork tips and box styles appeal to men, 100-millimeter brands have their biggest following among women.

What is clear is that with Camel Ninety Nines, RJR is trying to play catch-up to the Marlboro box.

Camel's current hard-pack share is estimated at 0.8%, compared with 12.4% for box versions of Philip Morris' Marlboro, according to John C. Maxwell Jr., an industry analyst at Wheat, First Securities. Overall, Marlboro held a 25.7% market share in 1990, compared with 4.4% for No. 6 Camel, he said.

Competitive sources dismissed the new moniker as a gimmick to attract attention to what amounts to new packaging.

RJR already markets three Camel line extensions in 100-millimeter sizes: Camel Filters, Camel Lights and Camel Ultra Lights. But only Camel Ultra Lights is now sold in a box.

Camel Ninety Nines will be sold in lights and filter versions only.

Competitive sources, noting that RJR's Camel is underrepresented in box styles, dismissed the new moniker as a gimmick to attract attention to what amounts to new packaging.

But rivals such as Philip Morris have tried similar strategies, industry executives said, although with less gimmickry.

One example is new Marlboro Medium, which has less tar than regular Marlboro but 1 milligram more tar than Marlboro Lights. Medium is cork-tipped, while Lights is not.

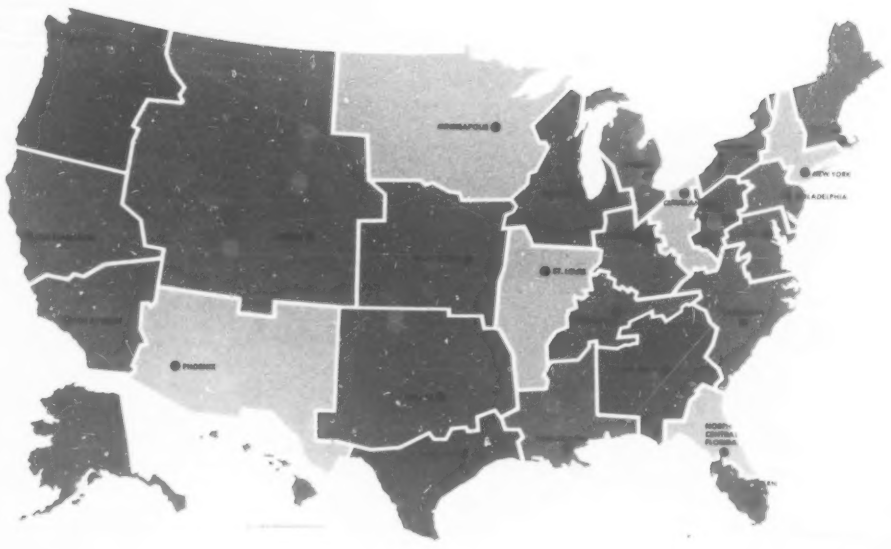
Advertising for Marlboro Medium breaks in June issues of consumer magazines via Leo Burnett USA, Chicago.

Camel Ninety Nines is being supported with a teaser outdoor campaign that broke earlier this month. Created by Camel agency Young & Rubicam, New York, advertising shows the Hard Pack, a group of cartoon camel characters playing musical instruments.

The drummer, dubbed "Eddie,"

(Continued on Page 37)

NOT SINCE THE CIVIL WAR HAS THE COUNTRY BEEN THIS DIVIDED.



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NEWS SUMMARY

■ **R.J. Reynolds Tobacco Co.** will introduce Camel Ninety Nines on the West Coast in July. 1

■ **Environmental advertising** recommendations were issued by a task force of 11 state attorneys general last week, including specific green marketing terms. 3

■ **Food & Drug Administration** Commissioner David Kessler last week met with Federal Trade Commission regulators, apparently to discuss coordinating actions on health claims and prescription drug advertising. 3

■ **George Green** of Hearst Magazines will push to end ad bans as new president of the International Federation of the Periodical Press, meeting in Helsinki this week. 3

■ **Nabisco** will start testing My Goodness! low-fat, no-cholesterol cookies in West Coast markets in July. 3

■ **Lintas:Worldwide** named Kenneth L. Robbins chairman-ceo, to succeed William Weithas. 4

■ **Rochelle Lazarus** was named president of Ogilvy & Mather's flagship New York office. 4

■ **Ad agency jobs** are in short supply, this year's college graduates discover. 4

■ **Beer marketers** plan stepped-up promotional activities this summer following a slow start for the year. 6

■ **American Express and Visa** will begin ad campaigns to boost card use while dining out. 6

■ **Sparkling wine** marketers plan warm-weather advertising tied to holidays and special events. 6

■ **Brut** men's fragrance starts a $10 million-plus campaign this week featuring spokeswoman Kelly LeBrock. 8

■ **Newspapers** are using U.S. Census data to help advertisers target audiences and to seek out new readers. 12

■ **MCI Communications** is advertising on outdoor boards in eight cities to show running tabulations of the money it says customers are saving vs. AT&T. 12

■ **Embassy Suites'** new ad campaign touting value rather than discounting is themed, "Twice the hotel." 12

■ **Magazine ad page volume** in April was down 11.1% from a year ago, according to Publishers Information Bureau. Ad revenues for the first four months were off 5.1%. 31

■ **Uncle Ben's** is testing its first non-rice products, Uncle Ben's Meal Makers, a line of vegetable-based sauces. 32

■ **Slim-Fast Foods** is adding shelf-stable entrees to its growing line of diet products. 33

■ **NutraSweet Co.** breaks a $25 million marketing campaign this week as more competition looms. 33

■ **Alcoholic beverage industry's** new Century Council unveiled a code of marketing and advertising practices and will support efforts to promote responsible drinking. 34

■ **Patriotic themes** in ads aren't likely to sway consumers, according to a survey by Valentine-Radford. 38

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AGENCIES SLOWER TO ADD BENEFITS FOR FAMILIES

To workers putting in steady overtime, concern for their home life may seem like the furthest thing from the corporate mind. Yet, personnel managers at marketing, media and advertising companies claim family-oriented benefits increasingly are the focus of plans.

"The average core benefits plan was put together when Daddy was working and Mommy was home with 2.2 kids. Today something like 4% of the work force meets that profile, so companies are trying to respond," says Freddy Gamble, personnel director for Conde Nast.

After examining the benefits of major companies in each field, agencies are furthest behind in family-oriented benefits.

Only 13.3% and 53.3% of shops polled offer job sharing and part-time tracks, respectively, while 66.7% of marketers offer both and 73.3% of media companies offer job sharing and 80% part-time tracks. Shops also fell well short of the other companies in offering childcare and elder-care referrals, paternity leave and flex time. □

Employee matters

Gannett leads media companies in benefits

	Maternity leave	Paternity leave	Vaca. days after 1 yr.	Personal days	Overtime pay	Comp time	Christmas bonus	On-site childcare	Childcare referrals	On-site elder-care	Elder-care referrals	Telecommuting	Extended leave	Part-time track	Job sharing	Parking	Dress codes	Flexible hours	Summer hours	Minorities on board	Women on board
Continental Cablevision	✓	✓	10	NA	✓					EC			✓	✓	✓	P	✓		NA	NA	
Reader's Digest	✓		15†	5	✓						✓		✓	✓	✓	P		✓	0	0	
Meredith Corp.	✓	✓	10	2§	✓					EC			✓	✓	✓			✓	0	1 of 11	
Gannett Co.	✓	✓	10	3	✓	✓	✓	✓	✓§	EC	✓		✓	✓	✓	P		✓	4 of 15	4 of 15	
Conde Nast	✓		10	3	✓					EC			✓	✓	✓			✓	NA	NA	
Knight-Ridder	✓	✓	7-21§	2	✓	✓§					✓		✓	✓	✓	P		✓	1 of 18	3 of 18	
Time Warner	✓	✓	20†	2	✓					EC	✓		✓	✓	✓			✓	0	2 of 24	
Washington Post	✓	✓	15	0							✓		✓	✓	✓	P		✓	1 of 13	2 of 13	
Los Angeles Times	✓	✓	10	3	✓	✓				EC	✓		✓	✓	✓	P		✓	2 of 16	1 of 16	
Advo-Systems	✓	✓	10	2	✓								✓	✓	✓	P	✓		0	0	
Dow Jones & Co.	✓	✓	10	4†		—				EC			✓	✓	✓	P			1 of 17	2 of 17	
Westinghouse Electric Corp.	✓	✓	10	0	✓					EC									0	1 of 11	
Family Media Corp.		✓	10	0	✓	✓§							✓	✓	✓	P	✓		0	0	
McGraw-Hill	✓	✓	10	2	✓	✓				EC			✓	✓	✓	P			1 of 16	1 of 16	
Houston Post	✓	✓	10	2	✓								✓	✓	✓	P	✓	✓	0**	3 of 13**	

* unpaid
** executive committee members
† various restrictions apply
§ varies by division or office

SHAPING BY CHI SMITH

VIDEO

(Continued from Page 22)

Channel.

A one-hour video conference between the U.S. and the U.K. now costs about $1,330 on Sprint Meeting Channel; the highest rate is about $3,500 to Moscow.

"That's about what a plane ticket costs for one executive to get to the Soviet Union," says Mr. Miller. This way, "you can have several in one meeting."

Three years ago, it cost Unisys $228,000 to install video conferencing equipment in a Detroit meeting room. Now the company could purchase "better equipment, bigger picture screens, using half the band [transmission] width, for half the price," says John Champa, manager and chief engineer, Unisys Video Conferencing Network.

In 1990, Unisys held 962 video conferences with 12,200 conferees, using 5,664 video conference hours at 11 video conference sites.

"We realized a net savings of $2.7 million in our travel budget," Mr. Champa says.

But shaving the travel budget is "not how we justified the system," Mr. Champa says. Video conferencing has allowed executives to meet more regularly, in a face-to-face situation, he says.

Apple Computer Co. uses its video conferencing network both internally between designers, engineers and marketing executives and as a sales tool to confer directly with potential customers.

"In the course of a day, [Apple Chairman-CEO] John Sculley can drop into a session, along with VPs and product managers, and we find that's a very effective selling element," says Donna Collins, project manager of Apple's Video Conference Network in Cupertino, Calif.

Apple also has wired Macintosh computers into its video conferencing network, allowing full-color graphics and animation to be transmitted during a meeting.

Apple averages 80 video conference hours monthly and has installed seven video conference rooms—six in the U.S. and one in Paris—at a cost of $115,000 to $300,000 each.

The newest meeting room in Paris "has been booked constantly since we opened it in January," Ms. Collins says. "At first, I thought it was due to the Gulf War, but usage levels have not dropped since it ended." □

Laurie Freeman is a free-lance writer based in Ann Arbor, Mich.

COMPUTER

(Continued from Page 22)

about 90 employees have computers; however, 30 are Donovan terminals in the media unit that will be replaced by PCs.

The most difficult part of the whole process is how to integrate the media department, says Gary Wenzel, senior VP-director of account planning.

The agency has decided against Donovan because of its need for dedicated terminals and inability to be tied into the network, says Mr. Mancuso.

"Donovan is the industry standard, and it's very good," he says. "But any time you want to manipulate data in a Donovan terminal, it has to be rekeyed into a Mac or IBM terminal and downloaded into a PC. If we achieve this network, an account executive with a Mac on his desk can get [a client's] media expenditures by tapping a key."

RP&A executives are leaning toward acquiring a DSI Datatrak package but are still analyzing whether it can perform all of the networking functions they require. If they pick up Datatrak, they will run it through a Hewlett-Packard minicomputer and will use Macintosh software for creative functions and Lotus programs for most accounting and back-room functions.

RP&A is spreading out expenses over two years and will pay cash for the system out of agency profits. "We're also going to lease what we can," Mr. Mancuso says. "Vendor financing is generally the better way to go. So we won't have to go to the bank." □

Jack Feuer is a Los Angeles-based free-lance writer.

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It takes more than outstanding creative to insure the success of a direct marketing campaign. That's why Ogilvy & Mather Direct selected WATS Marketing as the important final link to their "Mover's Advantage" campaign for Ryder Truck Rental.

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The Direct Marketing Association's Diamond Echo Award

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THE NEXT GENERATION OF TELEMARKETING...

AMERICAN EXPRESS INFORMATION SERVICES

WATS Marketing

Magazine ad page leaders

Publishers Information Bureau figures for January through April 1991.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Bride's	1,251.45	(3.4)	23,140,994	1.1
2	Modern Bride	1,007.88	(1.7)	16,579,050	(2.4)
3	Business Week	951.10	(19.6)	56,349,600	(18.9)
4	People	946.08	(10.9)	98,383,455	(2.6)
5	Forbes	920.05	(20.6)	41,563,118	(17.6)
6	Vogue	885.13	(11.5)	35,641,246	(2.3)
7	TV Guide	832.14	(19.5)	98,067,287	(11.9)
8	The Economist	735.31	(14.3)	6,871,600	(6.6)
9	Fortune	705.85	(25.9)	36,433,590	(22.4)
10	Entrepreneur	703.60	3.9	7,541,584	17.8
11	Sports Illustrated	676.30	(17.0)	91,207,308	(11.5)
12	New York Magazine	666.55	(19.9)	11,252,215	(13.5)
13	Time	656.25	(18.1)	97,927,829	(12.1)
14	Cosmopolitan	622.65	(2.0)	40,109,925	7.2
15	Golf World	616.16	(0.9)	5,337,302	10.1
16	Glamour	567.88	2.7	30,440,177	7.6
17	Elle	553.58	(18.8)	18,013,167	(10.9)
18	Newsweek	529.72	(23.2)	61,154,601	(20.1)
19	Good Housekeeping	526.87	0.5	54,421,768	10.7
20	U.S. News & World Report	515.24	(11.4)	43,247,348	(7.7)
21	Family Circle	515.18	(4.2)	44,173,649	0.5
22	The New Yorker	500.67	(32.5)	14,044,988	(25.6)
23	GQ	497.83	(19.9)	13,166,833	(12.8)
24	Ladies' Home Journal	497.46	(0.1)	37,761,770	7.6
25	Muscle & Fitness	479.34	15.0	8,725,483	22.5
26	Sunset	476.66	(2.2)	14,385,286	(4.3)
27	Skin Diver	475.31	6.7	4,851,627	18.0
28	Yachting	467.98	(18.5)	3,016,255	(12.7)
29	American Way	465.76	(13.8)	7,044,279	(2.9)
30	Golf Magazine	464.91	(5.3)	16,479,974	15.4
31	Parents	445.25	0.8	19,734,241	9.0
32	Rolling Stone	443.69	(19.7)	17,736,916	(9.1)
33	Travel & Leisure	442.36	(11.5)	18,414,493	(8.1)
34	Popular Photography	422.67	6.5	9,638,119	1.4
35	Texas Monthly	415.24	(3.2)	4,703,168	0.1
36	Better Homes & Gardens	415.03	9.5	49,911,420	17.6
37	W Magazine	409.13	(22.8)	9,901,428	(18.4)
38	Southern Living	406.87	(6.6)	21,325,541	(0.2)
39	Car & Driver	404.17	7.3	15,874,240	11.0
40	Golf Digest	401.15	(15.9)	23,619,415	2.4
41	Mademoiselle	398.39	(17.0)	13,782,028	(12.7)
42	Architectural Digest	394.70	(32.0)	10,891,124	(29.9)
43	Salt Water Sportsman	380.75	(19.7)	2,743,139	(11.0)
44	Money	377.59	(5.8)	25,076,309	2.4
45	Harper's Bazaar	376.90	(21.1)	10,861,520	(14.7)
46	Vanity Fair	376.29	(15.7)	12,903,810	(16.3)
47	Redbook	361.25	0.6	24,263,918	9.0
48	Gourmet	346.15	(12.8)	10,519,708	(0.6)
49	Bicycling	341.02	(2.3)	5,216,000	8.0
50	Seventeen	340.72	(24.2)	11,434,879	(11.4)
51	Road & Track	340.59	3.5	10,055,769	3.2
52	Jet	334.50	(1.3)	5,884,305	3.4
53	McCall's	333.87	9.2	26,530,537	22.4
54	Mirabella	323.12	(12.6)	6,285,168	11.5
55	Ebony	322.78	(12.8)	12,269,674	(4.8)
56	Bassmaster	314.84	(1.5)	6,424,746	3.0
57	Country Living	308.56	(13.4)	13,380,965	(7.8)
58	Woman's Day	307.64	(31.7)	23,518,987	(29.0)
59	Bon Appetit	307.25	(12.4)	9,635,080	(9.4)
60	Conde Nast Traveler	305.35	(17.0)	9,029,742	(12.5)
61	Self	298.35	(27.3)	12,333,349	(20.5)
62	Four Wheeler	295.23	2.3	2,710,607	24.5
63	Reader's Digest	293.44	(16.3)	31,088,656	(15.2)
64	Town & Country	292.46	(40.6)	8,184,183	(31.7)
65	Smithsonian	291.59	(12.2)	12,693,412	(10.7)
66	House & Garden	290.38	(16.3)	7,764,678	(9.4)
67	Metropolitan Home	287.04	(31.6)	10,353,806	(20.5)
68	Ski	286.96	(2.0)	5,941,902	1.0
69	Working Woman	282.85	(14.3)	9,100,701	(8.6)
70	Compute!	278.99	1,000.0	2,445,924	100.0
71	Motor Trend	277.45	3.2	10,622,089	8.6
72	Inc.	272.67	(11.7)	12,486,977	(3.9)
73	Outside Magazine	270.18	15.5	5,137,533	25.8
74	Esquire	269.92	(30.3)	8,455,523	(27.0)
75	Sports Afield	269.28	(4.6)	5,464,862	5.6
76	Field & Stream	265.53	(9.1)	12,249,340	2.9
77	Outdoor Life	262.24	(2.7)	8,649,887	9.0
78	San Francisco Focus	258.99	(28.0)	1,789,868	(25.0)
79	New Woman	258.06	(14.4)	7,225,745	(2.8)
80	Delta Sky	257.84	(9.8)	7,380,665	1.2
81	Automobile Magazine	257.63	9.3	6,717,762	56.0
82	Art & Antiques	250.64	(15.2)	1,873,749	8.8
83	Black Enterprise	248.00	(11.7)	3,707,609	(0.9)
84	Entertainment Weekly	241.78	14.1	5,479,773	21.4
85	Parenting	240.09	13.6	5,503,395	50.8
86	Popular Mechanics	237.26	(7.5)	8,466,673	4.4
87	Yankee	233.12	(9.6)	3,176,671	4.8
88	Penthouse	230.75	11.8	9,320,117	10.9
89	Premiere	230.15	(10.7)	4,533,001	1.6
90	Playboy	230.10	3.2	14,498,305	(1.9)
91	Skiing	229.64	(0.2)	4,688,853	(1.1)
92	Omni	229.52	9.3	6,139,872	(5.9)
93	Essence	229.43	(15.9)	6,392,511	(3.9)
94	Tennis	226.93	(1.4)	7,697,146	8.2
95	Hot Rod	226.52	(12.0)	5,513,217	(7.5)
96	House Beautiful	225.01	(4.8)	9,010,137	4.3
97	Working Mother	224.27	(7.7)	5,425,596	3.6
98	Scientific American	218.03	57.6	4,789,859	32.0
99	Financial World	216.65	(39.2)	5,068,198	(39.1)
100	Shape Magazine	213.84	7.4	3,739,361	(2.5)

Percent change compares January-April in 1991 with 1990. Source: Publishers Information Bureau

MEDIAWORKS

April still a cruel month

By Scott Donaton

The second quarter's magazine ad page volume is beginning the way the first quarter ended: on a sour note.

Publishers Information Bureau reported ad pages dipped to 15,037.2 in April, down 11.1% from last year. Pages for January through April totaled 50,647, down 10.1% from the same period in 1990.

Ad revenues through April hit $2.02 billion, a 5.1% decline. Seven of the top 10 ad categories (ranked by revenue) were down after four months, with nine categories also down in pages. The top 10 accounted for 74% of the total magazine revenues through April.

"There are no signs here yet of a broad-based recovery," said James Guthrie, exec VP-marketing development for Magazine Publishers of America. But he pointed to revenue gains in the automotive, direct response and computer categories as bright spots.

The number of magazines mired in the ad slump continued to grow in April. Only one of the top 10 ad page leaders was up in pages through April, compared with three through March: *Entrepreneur* continued to thrive, carrying 703.6 pages through April, up 3.9%.

While *Bride's* remained the ad page leader, its 1,251.5 ad pages were down 3.4% from the first four months last year. *People*, which managed to post a 1% gain in pages for the first quarter, saw pages dip 30.2% in April to 283. That loss dragged its year-to-date total to 946.1, a 10.9% decline.

In the newsweekly field, *Time's* 656.2 ad pages were down 18.1%, *Newsweek's* 529.7 pages were off 23.2% and *U.S. News & World Report's* 515.2 pages marked an 11.4% decline.

"The market is very competitive, and I don't think it's going to get better until 1992," said Peter Eldredge, U.S. publisher of *News-week*.

The women's service field continued to post fairly strong numbers through April, though several publishers in the category said they expect figures to drop off in May and June.

Four of the Seven Sisters registered ad page increases after four months and one, *Ladies' Home Journal*, was flat with 497.5 pages, down 0.1%.

Good Housekeeping led the pack with 526.9 pages, up 0.5%. Also up were *Better Homes & Gardens* (415 pages, up 9.5%); *Redbook* (361.2 pages, up 0.6%); and *McCall's* (333.9 pages, up 9.2%).

Family Circle carried 515.2 pages, a 4.2% dip. *Woman's Day's* 307.6 pages were off 31.7%.

Black-oriented magazines are also feeling the sting of the recession. Category leader *Jet* saw pages through April fall 1.3% to 334.5. *Ebony*, with 322.8 pages, was down 12.8%. *Black Enterprise's* 248 pages marked an 11.7% falloff. And *Essence's* pages were down 15.9% to 229.4.

The Sunday magazines published by *The New York Times* and *Los Angeles Times* posted ad page declines of 23.4% and 31.1%, respectively, with 967.3 and 242.3 pages. National Sunday magazines fared better: *Parade's* 252.4 ad pages through April were up 18.3%, and *USA Weekend*, with 213 pages, was down 3.2%. □

Top 10 magazine ad categories by revenue

Category	1991 revenue	% chg	1991 pages	% chg
Automotive*	$293,193,470	6.62	5,277.2	(1.0)
Toiletries & cosmetics	$199,035,224	(1.11)	4,158.2	(10.63)
Direct response cos.	$197,554,008	6.98	6,505.0	(0.40)
Food	$145,289,960	(10.17)	2,369.3	(17.23)
Apparel**	$138,888,203	(5.59)	4,844.7	(9.32)
Travel, hotels & resorts	$129,239,113	(14.36)	4,093.3	(13.69)
Business & consumer svcs.	$117,238,524	(30.45)	3,340.3	(28.24)
Cigarettes & tobacco	$92,629,872	(6.16)	1,461.2	(15.52)
Computers & office equip.	$79,684,095	21.59	1,701.6	15.25
Publishing & media	$66,379,498	(3.79)	890.0	(8.85)

Revenue and page figures are from January-April 1991. *Includes accessories and equipment. **Includes footwear and accessories. Source: Publishers Information Bureau

Media prefer shared liability

ATLANTA—A February survey of 700 media companies showed joint and several liability is the most pervasive form of contract, reports Szabo Associates, a media collection specialist.

"Though there is no industry-wide liablity clause, joint and several liability does appear to be the trend," said Szabo President Peter Szabo. Under joint and several liability, both agency and advertiser are liable for all payments.

The American Association of Advertising Agencies earlier this year recommended its members adopt sequential liability as the basis of their contracts with the media, making agencies liable for payments only after advertisers have paid the agencies. The Four A's in the past had endorsed sole agency liability.

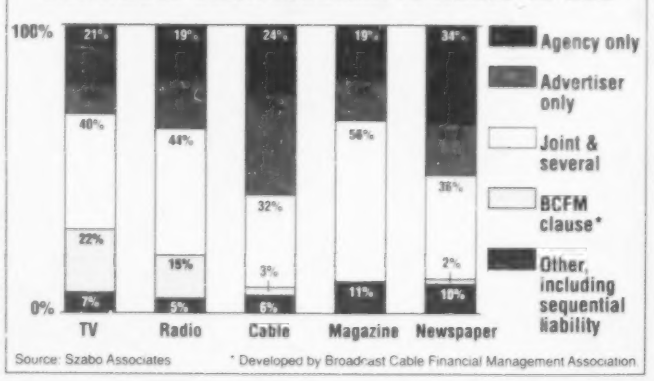
With defaulted and delinquent media payments on the rise, the change in Four A's thinking has sparked disputes among agencies, advertisers and media. Few agencies have implemented sequential liability; even fewer media companies have accepted it.

Other forms of liability favored by the media include sole agency; sole advertiser; and the Broadcast Cable Financial Management Association's compromise clause, which holds agencies liable until they become insolvent, at which time liability shifts to advertisers.

Overall, 43% of Szabo's media company clients favored joint and several liability; 21% used sole agency liability; 15% used sole advertiser liability; 13% used the BCFM clause; and 7% used other means of liablity.

Joint and several liability contracts account for 39% of contracts at companies worth less than $10 million; 42% at $10 million to $50 million companies; and 53% at companies worth $50 million or more. □

Contracts each medium is liable to use



Source: Szabo Associates * Developed by Broadcast Cable Financial Management Association

JOHN SMITHER

Joe Mandese coordinates MediaWorks.

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NEWSPAPER

Advertising Age

June 3, 1991

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Tough talk upfront

TV buyers ask for new price protection, guarantees

By Joe Mandese

As the 1991-92 network TV upfront market gets under way, extensive changes are being made in the way advertisers negotiate deals.

In sharp contrast to last year, TV buyers are seeking deals that expand on the options and guarantees the Big 3 networks normally give marketers, virtually demanding protection against the kind of fluctuations that occurred in the scatter marketplace this year.

The Big 3 earlier reinstated traditional ratings guarantees, after trying last year to reduce the conditions of upfront deals by switching to a modified ratings guarantee system that placed more risk on the buyer. But TV buyers are now out for even more.

■ **CBS sets huge fall promotion with four marketers; ABC tries Nick at Nite situation comedy series—Page 4.**

General Motors Corp. is negotiating with the Big 3 networks to expand the carmaker's scatter market options to include more protection from fluctuating prices. GM has yet to secure them, but if they're granted, other top advertisers are expected to follow suit, agency sources say.

Philip Guarascio, executive-in-

(Continued on Page 52)

Doug Goodman

Editor in Chief Ellen Levine and new Publisher Gregory Dunn are spearheading *Redbook's* makeover.

'Redbook' narrows in on new look

By Scott Donaton

NEW YORK—Hearst Corp. this fall will redesign and reposition *Redbook* in a bid to more clearly distinguish the magazine from the rest of the Seven Sisters women's service titles.

Hearst's goal is to solidify *Redbook's* position as a magazine for 25-to-44-year-old working mothers and establish it as a "bridge book" between its *Cosmopolitan*, aimed at young, single women, and *Good Housekeeping*, a service-oriented magazine for a middle-age audience.

To lead in the '90s, "you've really got to . . . narrow in on a niche and be able to define it and address it editorially."

The 88-year-old *Redbook* already has the youngest readers, smallest rate base and tightest editorial focus of the Sisters. But Hearst now wants to narrow the focus even further to strengthen its position in the marketplace.

"The big thing for [*Redbook*] or any magazine that's going to lead in the '90s is you've really got to . . . narrow in on a niche and be able to define it and address it editorially," said K. Robert Brink, exec VP-group publishing director at Hearst Magazines.

The median age of the *Redbook* reader, now at 39, is expected to drop one or two years with the repositioning. That compares to a median age of 29 for *Cosmopolitan* and 41 for *Good Housekeeping*.

"We're basically taking *Redbook* and building it into the real transition book," Mr. Brink said. "It's going to sit there

(Continued on Page 52)

Safety themes aim at boomers

Auto ads follow Volvo, Chrysler lead

By Raymond Serafin and Cleveland Horton

Safe is sexy, growing numbers of automotive marketers are saying, and there's no indication that's a passing fancy.

With many car models relatively equal on design and technology, safety features stand out as a remaining product differentiator. And marketers that aren't now stressing safety themes in their advertising are at least considering incorporating elements into their campaigns.

The most recent to join the chorus was General Motors Corp., which on May 24 broke a corporate TV and print campaign from N W Ayer themed "Safety isn't one thing. It's everything."

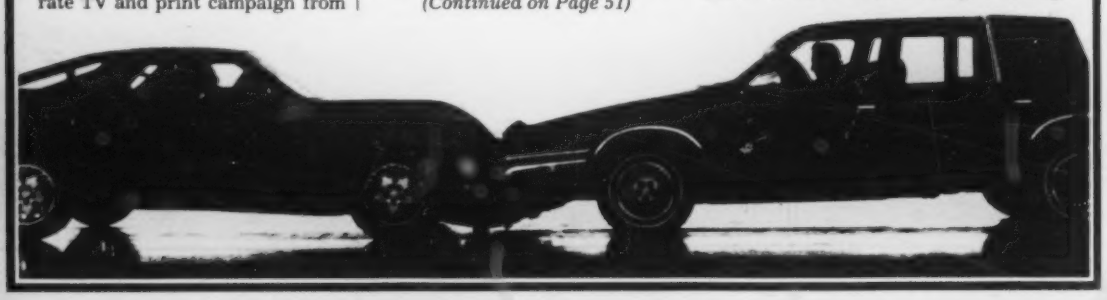
For three decades, Volvo Cars of North America was the lone marketer that consistently challenged the axiom that "safety doesn't sell"—a general industry view that talking about things like crashes didn't draw customers.

The recent trend can be traced to baby-boomers' evolving sense of the importance of family security, said John Johnson, VP-account director on Cadillac at D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. The GM division has run a comprehensive effort built around the theme

(Continued on Page 51)

Volvo owners reveal how their cars may have saved their lives. . . .

. . . While Chrysler gets a little more graphic to show the advantage of airbags.



LAST MINUTE NEWS

Texas probes fat-free claims

DALLAS—The Texas attorney general's office is probing Kraft General Foods over claims for its fat-free mayonnaise, Assistant Attorney General Stephen Gardner said. Kraft confirmed it's discussed fat-free products with Mr. Gardner and others, but said it was unaware of a formal investigation by the state. Separately, Mr. Gardner said he's confident of reaching a settlement with General Motors over allegedly deceptive advertising related to the Malcolm Baldrige quality award. But by late Friday, a formal agreement hadn't been reached. GM said a meeting with Mr. Gardner provided a "positive and constructive exchange of views" and that more meetings were possible.

Playboy, Spectradyne set hotel title

NEW YORK—Playboy Enterprises and Los Angeles-based Spectradyne will jointly launch a monthly entertainment magazine/listings guide tied to Spectravision, Spectradyne's hotel room pay-per-view TV service. The as yet unnamed title, bowing with a September issue, will be distributed in the 750,000 hotel rooms where Spectravision is available and will target frequent travelers. Playboy is also developing, with Italian publisher Rizzoli, a U.S. edition of the young men's magazine *Max* for a spring 1992 launch.

$15M Maalox account in review

FORT WASHINGTON, Pa.—Rhone-Poulenc-Rorer has put its $15 million Maalox antacid account up for

(Continued on Page 8)

INSIDE

'Creativity':

Some readers get "Creativity," which starts after Page 30. If you don't, call 1-800-678-9595 and ask for Ad Age Circulation.

Research Business Report: Stormy times ahead. **Page 31**

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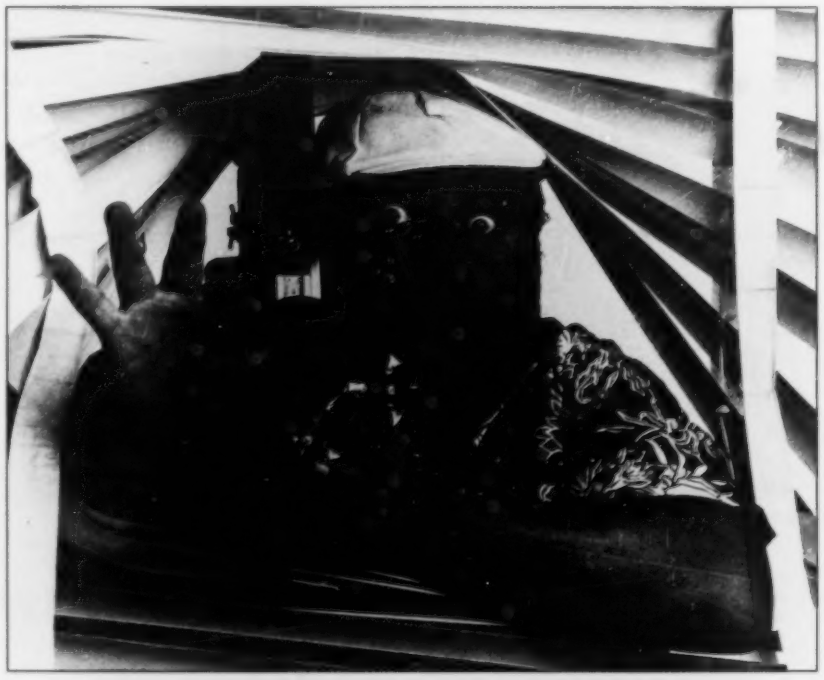

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NEWS SUMMARY

■ **General Motors'** new campaign promoting safety is the latest indication that safety themes in ads help sell cars. **1**

■ **Upfront buyers** for next fall's network TV season are seeking deals that expand on options and guarantees. **1**

■ **"Redbook"** will be redesigned and repositioned this fall by Hearst Corp., which hopes to establish it as a "bridge book" between *Cosmopolitan* and *Good Housekeeping*. **1**

■ **Department stores** are fighting the sales slump with aggressive use of image campaigns. **3**

■ **Brown & Williamson** may reposition its Kool cigarette brand, and Philip Morris plans a new campaign for Virginia Slims. Both face competition from value-price brands. **3**

■ **Trading card industry** has become a $1 billion-plus business, attracting new companies and expanding beyond sports to other public personalities. **3**

■ **Wells, Rich, Greene** may soon become majority owned by BDDP, the French agency group. **3**

■ **CBS** will team up with four major marketers in the "CBS/-Kmart Prime-time Payoff," offering an estimated $50 million in prizes, to promote the network's new shows in September. .. **4**

■ **ABC-TV** will air a situation comedy produced by cable TV's Nick at Nite channel, which will also run the shows. **4**

■ **Pillsbury** will launch Hearty Grains, a "healthy" line of refrigerated dough products, this fall. **4**

■ **E&J Gallo Winery** is expected to introduce Eden Roc, a midprice sparkling wine to combat fast-growing Cook's. **4**

■ **Advertising worldwide** is being slowed by tough economic times, with most countries expecting only modest growth this year, a survey shows. **6**

■ **E! Entertainment Television** cable network is exploring cross-media deals with entertainment magazines to create promotion tie-ins for advertisers. **12**

■ **Australian marketers** are pressuring their ad agencies to offer integrated marketing services. **16**

■ **Brazil's** serious decline in ad spending is leading agencies to make changes, including cuts in their usual fees. **17**

■ **Research revenues** of 71 top research companies increased 8.2% in 1990 to $1.96 billion. **31**

■ **Johnnie Walker Black's** sponsorship of the 43-city tour of the "City of Angels" musical signals expansion of sponsorships from sports to the arts. **36**

■ **Paramount** said its "Passport to Summer Entertainment" cross-promotion with six national marketers provides added exposure for its films in unusual venues. **37**

■ **Saatchi & Saatchi,** pushing its globalization theory, said at its annual meeting it will offer rewards to employees for campaigns that succeed internationally. **49**

■ **Southwestern Bell** today starts a $25 million campaign aimed solely at the add-on market. **49**

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ABP ABC

Ad spending proves: World is flat

But Spain, Thailand light up dim forecasts

An Advertising Age roundup

Some world markets are seeing advertising growth even though spending in major countries is being hit by tough economic times, according to *Advertising Age's* survey of agencies, advertisers and industry associations internationally.

While the U.K., Australia, Canada and South Africa are hoping for 1991 spending to be flat at best, markets such as Spain and Thailand continue to grow. Many healthy markets, however, have been hurt recently by the sluggish world economy and the Persian Gulf War.

"On an overall basis, [1991 worldwide ad spending growth will be] 2% to 3% in constant terms because of the heavy weight of the U.S., U.K. and Australia," said Robert Coen, senior VP-director of forecasting, McCann-Erickson Worldwide, New York. "If your country has 3% real growth, it's a good year."

Ad Age's figures are in real terms (not adjusted for inflation) and based in local currency.

Europe

In the U.K., "it's been an appalling year," said Steve Winram, media research and information director at Zenith Media Worldwide, London, a Saatchi & Saatchi Co. subsidiary.

"Factors that have really caused the recession—high interest rates, falling consumer expenditures and falling corporate profitability—have started to ease off now," he said. "It's still pretty miserable out there, but we think the corner has been turned."

GLOBAL NEWS Recession reports from Australia and Brazil, two of the world's top 10 ad markets—Pages 16, 17

Mr. Winram expects a recovery in the second half.

Ad spending in the U.K. fell 6% in real terms in 1990, the U.K. Advertising Association said. For this year, Mr. Winram said Zenith predicts real ad spending will fall 2.5%.

As the two Germanys became one last year, real ad spending growth in what was West Germany hit an estimated 3%, said Volker Nickel, spokesman for ZAW, an advertiser-agency-media organization. In addition, about $300 million was spent in eastern Germany.

This year, real growth of 1.5% for the entire Germany is expected.

"Most of the growth of the '91 ad spend will come from East Germany," Mr. Nickel said.

Bernd Michael, chairman and partner of Grey Duesseldorf, said an expected tax increase this summer could slow consumer spending. He added, however, that in eastern Germany ad spending could soar to $640 million.

French ad spending grew 5.6% in real terms in 1990, and this year is likely to be a repeat performance.

With most predictions of 5% to 7% growth, Alain Grange-Caba, president of the Union of Advertisers, said: "That's still twice as high as the French GNP and has better promise of exceeding expectations."

Meanwhile, ad growth in southern Europe remains hot.

The prediction for Spain is Europe's sunniest, with 12% to 15% real ad growth expected. Last year, spending jumped 18%.

The slowdown reflects a normalization of ad spending and the impact of the Gulf war, said Maximo Romero, general director, Association of Spanish Advertisers.

Italy is looking to match 1990 spending growth of 5%.

"Fears related to the Gulf war stifled investments at the beginning of the year, while the economic situation—still stagnant in certain sectors—continues to restrain ad spending to a certain extent," said Felice Lioy, director of the Italian association of advertisers.

Asia/Pacific

Australia's troubles will continue through this year, but there's hope for the future.

In 1990, Australian ad spending dropped in real terms by 1.9%, reported the Advertising Federation of Australia.

"It will be even more dismal in 1991—possibly negative growth up to 5%," said Alex Hamill, ceo of Saatchi & Saatchi Co.'s George Patterson Pty., Sydney.

Twenty accredited ad agencies folded in the 12 months ended March 31, compared with an average of two or three small shops, he said. But there was some good news; the top agencies showed an average 10% increase in billings in the same period.

Meanwhile, much of Asia continues to grow.

In Thailand, a military coup in February won't slow ad spending from growing at least 8.9% this year.

"Most firms were anticipating cuts from [consumer goods] clients. . . . but since controls were lifted, budgets have in fact been increased," an industry analyst said.

Though this year's projected growth seems impressive, it follows a booming 1990 in which spending grew 24.5%.

"Some companies with many multinational clients may be affected by the downturn [around the world] but then perhaps only temporarily," said Don Scott, creative director at Far East Advertising, Bangkok.

Hong Kong is cautiously optimistic, hoping the launch of an Asian satellite TV service, plus a new commercial radio station and positive developments in China, will boost ad spending as much as 15%, said Ben Barnes, chairman of the local ad agencies association and managing director of Grey Advertising.

"In Hong Kong, there is a slowdown, not a recession," said Cheong Shin Keong, controller of marketing and sales at TVB, the territory's dominant TV station.

Taiwan is hoping for a 3.5% real increase in 1991 ad spending, after 1990 spending fell 0.7%.

Growth of 4.2% is expected this year in Japan, where ad spending grew 6.9% in 1990.

"The advertising boom of the late '80s is over," said Don Dillon, exec VP at McCann-Erickson Hakuhodo, Tokyo.

Americas, South Africa

Brazil saw ad spending drop 5.5% in real terms in 1990, according to local trade magazine *Meio & Mensagem*.

The drop began in March 1990 when the government instituted a drastic anti-inflation program. The result is now being called the country's worst recession since World War II, reducing the middle class' purchasing power by an estimated one-third. Spending is likely to tumble to $2.2 billion, a 30% decline from 1990, agency executives say.

McCann's Mr. Coen, however, said he believes Latin American markets have bottomed out.

"I think the South American countries are starting to show some improvement, if you look at it in constant terms," he said.

In Canada, where the recession is well entrenched, ad spending is expected to pick up in the second half to produce a flat year.

In the first half, ad spending is expected to fall 1%, thanks to the Gulf war coverage that preempted many TV spots and the implementation of a new 7% goods and services tax.

"I expect that we should be out of the recession starting as early as this summer," said John Foss, president-ceo of the Association of Canadian Advertisers. "But we won't see the kind of return we saw after the recession in the early 1980s."

In 1990, Canadian ad spending grew only 0.6%.

South Africa welcomed flat spending in 1990. The release of Nelson Mandela in February 1990 brightened the troubled economy during the early part of the year. By fall, however, violence and strikes dampened consumer spending. The troubles and the attitude continue, with spending expected to drop about 8.1% this year. □

Written by Julie Skur Hill from bureau reports.

International ad spending outlook

Figures are based in the local currencies and are in real terms.

Country	1990	1991
U.K.	−6%	−2.5%
Germany	3%*	1.5%
France	5.6%	5%
Spain	18%	12%
Italy	5%	5%
Australia	−1.9%	−5%
Thailand	24.5%	8.9%
Taiwan	−0.7%	3.5%
Japan	6.9%	4.2%
Brazil	−5.5%	−30%
Canada	0.6%	0%
South Africa	0%	−8.1%

*Figure for West Germany only.
Source: *Advertising Age*

THE SECRETS OF NEW PRODUCT SUCCESS. A FREE SAMPLE.

1. Great ideas aren't the answer.

Just as a good idea may stop you from going on to discover a great one, a great idea may stop you from going on to discover the right one. After you get a great idea, continue to look for the right idea.

2. Exact appropriateness.

Every product has a small group of words and pictures that are exactly appropriate to it. When the time is taken to discover them and weave them together expertly, recall goes way up and top-of-mind awareness in the category is preempted.

3. News, with style.

The excitement of a concept board or test commercial must come from the clear communication of news about the product. Style comes from clarity and precision, not cleverness that subordinates the news. Even when image is all important, it takes the form of news, not so much inherent in the product, but invented.

4. Efficiency in communication.

Maximum efficiency in mass communication is one word—a name that says everything. Second is a slogan that contains the name. After that, people have to remember two or more things to know your message. Efficiency goes down, and media expenditures lose impact.

5. The disappearing concept board.

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Minn. group shows toll of ad taxes

By Bob Geiger

MINNEAPOLIS—In an effort to blunt future ad tax legislation, a cartel of Minnesota marketing groups on June 24 will unveil a yearlong study of the effect of ad taxes on the state's economy.

"The days of rhetoric are over with legislators. . . . You have to show them the direct results of a sales tax" on advertising, said Dean Buresh, president of Kamstra Communications, St. Paul, and chairman of the Communications Industry Coalition, which funded the study and is sponsoring a symposium on that day.

Encompassing 12 ad tax scenarios ranging from a collateral service tax to taxing of all advertising activity, the "Minnesota Model" study projects that all businesses statewide would lose as much as $288.7 million in revenues and 5,961 jobs. Of that, $158.9 million in revenues—55%—and 1,789 jobs, or 30%, would come from communications industries.

The study projects that an effort similar to Florida's short-lived 1987 media ad tax would cost Minnesota businesses $211.7 million in annual revenues and 4,346 jobs.

"Minnesota Model" surveys were sent to 940 member companies of Communications Industry Coalition organizations in 1990. Revenue figures from the 205 respondents were cross-checked with the Minnesota Department of Revenue, federal government and industry data, Mr. Buresh said.

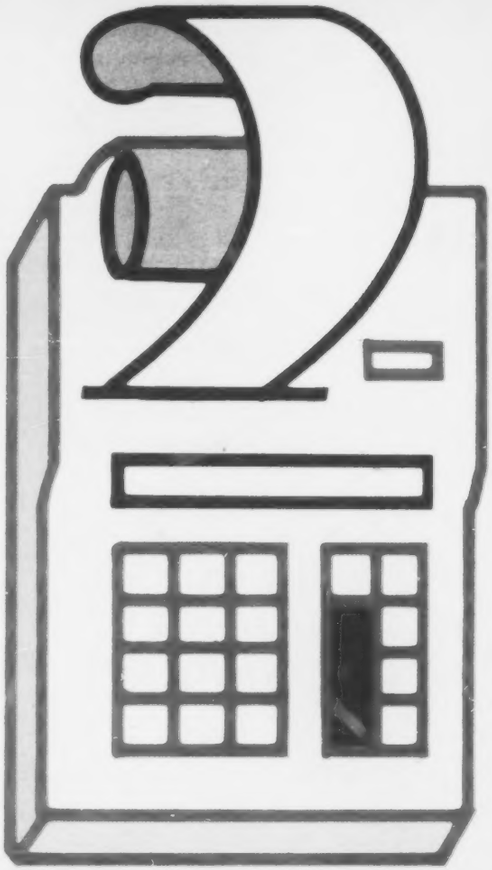
The coalition is in a continuing battle with the state Department of Revenue, which is proposing guidelines that expand the state's 6% sales tax to collateral services. The study projects that would cut $2.8 million and 32 jobs from Minnesota's communications industries.

Assuming a 5% decrease in collateral demand because of a tax, the study estimates those losses would rise to $24.3 million and 278 communication industry jobs.

Three Minnesota bills introduced this year to tax advertising services failed to get a hearing before state lawmakers adjourned May 20.

Coalition members include the Advertising Federation of Minnesota, Twin Cities Council of the American Association of Advertising Agencies, Minnesota Newspaper Association, Minnesota Broadcasters Association, Printing Industry of Minnesota and the state chapter of the Public Relations Society of America. □

Research Business Report



Revenues near $2 billion, but stormy times ahead

Researchers grapple with their changing role

By Scott Hume

Mix an economic slowdown into a churning cauldron of change and what comes out is the research industry in the 1990s.

The current economy has exacerbated and accelerated changes in marketing and media research more than it has created new troubles, executives at many top companies say.

Among the 71 companies responding to *Advertising Age's* research industry survey, total 1990 gross U.S. research revenues increased 3.2% to $1.96 billion. In comparison, the companies responding to last year's survey saw U.S. research revenues rise only 5.6% from 1988 to 1989.

But the stronger 1990 results don't ease research company executives' concerns about fundamental changes in the competitive environment and their role in the marketing process.

The wave of mergers in the 1980s that resulted in the consolidation of marketing departments at top package-goods companies has had an immediate impact on the competitive environment.

"When a Philip Morris absorbs a General Foods and then a Kraft, or when an R.J. Reynolds acquires a Nabisco, there's only a certain number of service companies and a certain amount of service those [conglomerates] are going to use," says David Learner, president of MRCA Information Services.

"One of the efficiencies of combining companies is the elimination of duplicate services, and the most damage that has been done to marketing research has been done [from mergers]," he says.

That, more than the economy, has spurred consolidations and alliances among research companies as they battle for business among a smaller client universe.

It also intensified price competition among researchers, with earnings for some top companies sliding even as revenues grew.

"Research has been moving into a third phase that will be challenging, certainly, but also provide opportunities," says John Costello, president of Nielsen Marketing Research USA.

> "The most damage that has been done has been done from mergers."

"The first phase was collecting information. The second was turning that information into insights. This third phase will be converting those insights into results."

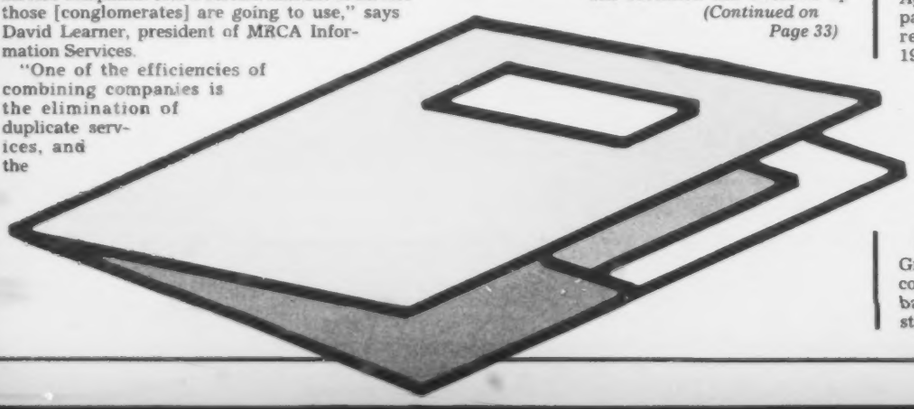
Because of the recession, that third phase has been hastened along, Mr. Costello says. It has focused client attention on productivity and cost of sales more than pure growth.

The down economy also has meant cutbacks in client companies' marketing and research budgets and staffs, and slowed new-product development. Risk taking is out; short-term thinking is in.

That, in turn, has hurt advertising agencies and media companies. And they've tipped over the next domino: companies seeking to sell research to those same operations.

"The recession has tweaked up

(Continued on Page 33)



IRI bounces back via scanner data

By Kenneth Wylie

What's been bad for the research industry has been good for Information Resources Inc., says Chairman-CEO Gian Fulgoni.

He says the industrywide shift from qualitative to quantitative, scanner-based data analysis has helped IRI post the top growth among the 10 largest research companies in *Advertising Age's* 1990 revenue ranking.

"IRI is built on this scanner technology. We're on the right side of this equation with only one competitor in scanner-based information technology, Nielsen," Mr. Fulgoni says.

IRI's 1990 U.S. research revenues climbed 19.8% to $136.3 million, making it No. 4 in *Ad Age's* ranking. The top 10 companies' combined U.S. research revenues rose only 7.6% in 1990. IRI reports first quarter 1991 revenues jumped 25.4% from first quarter 1990 to $48 million.

Founded in 1979 and taken public in 1983, IRI weathered several years of financial stress, but now is operating its two divisions in the black.

Its Information Services Group supplies package-goods companies with marketing data bases that range from broad strategies to shelf position and includes the fast-growing InfoScan supermarket purchase information system. Group revenues rose 16% to $115.3 million in 1990.

Its Software Products Group, which produces business and governmental decision-making models and systems, saw revenues hit $51.4 million, up a substantial 39% above 1989 revenues.

"As information becomes more and more in demand, organizations must have the software that makes it accessible," says Mr. Fulgoni. "What's happening is software is becoming the strategic competitive element."

IRI is hoping to sell its software to an ever-broader customer base.

"Health and beauty aids are an important new area for us," says Senior VP Robert Bregenzer. "We've been in supermarkets. In January 1991 we went into drugstores [using the newly acquired SAMI system]. Starting in July 1991 we'll be in mass merchandisers. We're going head-to-head with Nielsen."

In a mix of sales and licensing agreements at the end of 1990, IRI acquired from Arbitron Co. contracts and usage rights to its SAMI warehouse-withdrawal system, drugstore-withdrawal information, plus TV and radio ratings.

Almost matching IRI's

(Continued on Page 33)

Top research companies by U.S. research revenues

Rank 1990	Rank 1989	Company, headquarters	Gross U.S. research revenues 1990	1989	% chg	Employees Full-time	Part-time	U.S. offices	Top executive	Telephone	Verified
1	1	A.C. Nielsen Co., Northbrook, Ill.*	$468.6	$426.0	10.0%	NA	NA	40	Jack Holt, chmn-ceo	(708) 498-6300	
2	2	Arbitron Co., New York	230.6	253.5	(9.0)	1,918	1,866	8	A.J. Aurichio, president	(212) 887-1300	
3	3	IMS International, Zug, Switzerland*	199.1	181.0	10.0	NA	NA	4	Serge Okun, president-ceo	41-42-211666	
4	4	Information Resources Inc., Chicago	136.3	113.8	19.8	1,858	1,281	7	Gian M. Fulgoni, chmn-ceo	(312) 726-1221	
5	5	Westat, Rockville, Md.	74.8	65.9	13.4	660	NA	5	Joe Hunt, president	(301) 251-1500	
6	6	M/A/R/C, Las Colinas, Texas	56.9	47.9	18.8	500	1,200	9	Cecil B. Phillips, chmn-ceo	(214) 506-3400	
7	7	Maritz Marketing Research, Fenton, Mo.	53.2	46.1	15.4	504	2,000	14	William H. Lewellen, president	(314) 827-4000	
8	8	MRB Group, Ealing, England	45.8	44.6	2.6	366	NA	3	Timothy Bowles, ceo	44-81-579-5550	
9	9	NFO Research, Greenwich, Conn.	45.5	42.0	8.3	400	325	9	William E. Lipner, president-ceo	(203) 629-8888	
10	11	Abt Associates, Cambridge, Mass.	43.4	37.9	14.5	336	778	4	Walter R. Stellwagen, president-ceo	(617) 492-7100	✓
11	12	Gallup Organization, Princeton, N.J.	40.5	37.0	9.5	550	800	7	Jim Clifton, ceo	(609) 924-9600	
12	10	Market Facts, Chicago	40.2	39.0	3.1	515	NA	5	Verne B. Churchill, chmn-ceo	(312) 280-9100	
13	13	NPD Group, Port Washington, N.Y.	31.0	30.0	3.3	275	275	6	Tod Johnson, president	(516) 625-0900	
14	15	Walker Research, Indianapolis	28.8	26.5	8.9	339	646	6	Frank D. Walker, chmn-ceo	(317) 843-3939	
15	14	Burke Marketing Research, Cincinnati	25.2	27.1	(7.0)	308	270	10	Ronald L. Tatham, president-ceo	(513) 852-8585	
16	17	Intersearch, Horsham, Pa.	25.1	21.9	14.6	200	725	2	Alan Widra, president	(215) 657-6400	
17	16	Starch INRA Hooper, Mamaroneck, N.Y.	22.7	22.4	1.3	201	20	2	William J. Wilson, president-ceo	(914) 698-0800	
18	18	Chilton Research, Radnor, Pa.	22.6	21.8	3.6	209	500	2	Marjorie Michitti, vp-general manager	(215) 964-4602	
19	19	Research International, London	19.9	19.8	0.5	180	NA	2	Philip Barnard, chmn-ceo	44-71-235-1588	
20	21	National Research Group, Los Angeles	18.0	14.0	28.6	50	390	1	Joseph Farrell, chmn-ceo	(213) 856-4400	
21	26	Millward Brown, Naperville, Ill.	17.6	11.7	50.1	170	400	3	Robert D. Meyers, president-ceo	(708) 505-0066	✓
22	20	Mediamark Research, New York	16.3	15.2	6.9	55	NA	4	Alain J. Tessier, ceo	(212) 599-0444	
23	25	Creative & Response Research Services, Chicago	14.5	12.2	18.5	115	350	1	Saul Ben-Zeev, chmn-ceo	(312) 828-9200	
24	24	Custom Research, Minneapolis	13.3	12.9	3.5	72	140	4	Judith Corson, Jeffrey Pope, partners	(612) 542-0800	
25	22	Harte-Hanks Marketing Services, River Edge, N.J.	13.3	13.5	(1.5)	160	130	2	Tom Swithenbank, president	(201) 342-6400	
26	23	National Analysts, Philadelphia	13.2	13.3	(0.8)	130	12	1	Marshall G. Greenberg, president	(215) 496-6800	
27	27	Decision Research, Lexington, Mass.	12.0	11.5	4.3	68	14	3	Rob Duboff, sr. vp-director	(617) 861-7350	
28	28	Data Development, New York	12.0	10.6	13.1	100	300	1	Joseph Goldstein, president	(212) 633-1100	✓
29	31	Wirthlin Group, McLean, Va.	11.7	9.5	23.5	67	183	6	Richard B. Wirthlin, chmn-ceo	(703) 556-0001	
30	32	Total Research, Princeton, N.J.	10.5	8.3	25.8	130	250	1	Lorin Zissman, president-ceo	(609) 921-8100	✓
31	29	Lieberman Research West, Los Angeles	10.2	9.8	3.8	42	280	1	Arnold Fishman, chmn	(213) 553-0550	✓
32	33	Conway/Milliken & Associates, Chicago	9.2	8.1	14.0	68	110	1	Foy N. Conway, ceo	(312) 787-4060	✓
33	34	Louis Harris & Associates, New York	8.7	7.8	11.5	85	100	1	Louis Harris, chmn-ceo	(212) 698-9600	
34	30	J.D. Power & Associates, Agoura Hills, Calif.	8.5	9.6	(11.4)	101	57	1	J.D. Power III, president	(818) 889-6330	
35	43	Response Analysis, Princeton, N.J.	8.5	6.0	40.2	77	99	1	James H. Fouss, president	(609) 921-3333	
36	38	ICR Survey Research Group, Media, Pa.	8.4	6.6	27.2	70	250	1	Fred B. Soulas, president	(215) 565-9280	✓
37	36	Newman-Stein, New York	7.9	6.8	16.2	50	0	2	Lawrence Newman, president	(212) 777-2700	✓
38	35	McCollum Spielman Worldwide, Great Neck, N.Y.	7.5	7.3	2.7	54	0	1	Peter R. Klein, president-coo	(516) 482-0310	
39	42	Directions for Decisions, New York	7.0	6.2	12.9	40	0	1	Joseph F. Baldi Jr., chmn	(212) 683-9595	✓
40	44	Shifrin Research, New York	6.9	5.7	20.2	25	4	1	Leslie Shifrin, president	(212) 473-4050	✓
41	41	Field Research, San Francisco	6.7	6.3	6.3	75	125	2	Aaron Levy, president	(415) 392-5763	
42	37	Marketing Research Services, Cincinnati	6.6	6.7	(1.5)	82	140	2	Randall M. Thaman, president	(513) 579-1555	✓
43	39	Vanderveer Group, Fort Washington, Pa.	6.6	6.6	(0.4)	110	13	1	Marc Julius, president, mkt rsch/consulting	(215) 646-7200	✓
44	51	FRC Research, New York	6.5	4.8	37.1	34	60	1	Arnold Feldman, president	(212) 696-0870	✓
45	40	Kapuler Marketing Research, Arlington Heights, Ill.	6.2	6.5	(4.6)	67	235	1	Stanley J. Kapuler, president	(708) 870-6700	✓
46	50	Strategy Research, Miami	6.1	4.9	24.0	52	402	2	Richard W. Tobin, president	(305) 649-5400	
47	49	Meyers Research Center, New York	5.9	4.9	18.4	35	6	1	Gerald C. Meyers, president	(212) 391-0166	✓
48	45	Marketing Analysts, Rockville Centre, N.Y.	5.8	5.4	7.3	26	2	1	Robert Pascale, president	(516) 766-4224	✓
49	46	Marketeam/Doane Marketing Research, St. Louis	5.8	5.2	11.7	70	125	2	Carl E. Block, president	(314) 878-7867	✓
50	47	AHF Marketing Research, New York	5.8	5.1	13.6	56	235	1	Beryl L. Levitt, president	(212) 244-5555	✓
51	58	Ross-Cooper Associates, Teaneck, N.J.	5.1	2.5	108.4	30	4	1	David Ross, president	(201) 836-0040	✓
52	48	Oxtoby-Smith, New York	4.8	5.0	(4.0)	40	15	1	Joseph G. Smith, chmn	(212) 614-0040	✓
53	53	Savitz Research Center, Dallas	4.0	3.3	22.4	30	220	3	Jeffry N. Savitz, president	(214) 386-4050	✓
54	54	Schulman, Ronca, & Bucuvalas, New York	3.9	3.2	22.0	48	180	2	Mark A. Schulman, president	(212) 481-6200	✓
55	52	Bruno & Ridgway Research Associates, Princeton, N.J.	3.5	3.8	(8.4)	36	4	1	Spencer Bruno, chmn	(609) 452-8282	✓
56	55	Rothstein-Tauber, Stamford, Conn.	3.4	2.8	20.4	19	3	1	Melvin Rothstein, chmn	(203) 324-2420	✓
57	56	Market Development, San Diego	2.9	2.5	16.0	28	5	1	Loretta A. Adams, president	(619) 232-5628	✓
58	57	Shugoll Research, Bethesda, Md.	2.8	2.5	12.0	16	40	3	Joan Shugoll, president	(301) 656-0310	✓
59	60	deKadt Marketing & Research, Greenwich, Conn.	2.3	2.2	2.1	18	3	1	Pieter P. de Kadt, president	(203) 661-1161	✓
60	59	JRP Marketing Research Services, Media, Pa.	2.1	2.3	(6.7)	25	50	1	Paul Frattaroli, president	(215) 565-8840	✓
61	61	Booth Research Services, Atlanta	2.0	1.9	6.4	14	100	1	Peter E. Booth, president	(404) 992-2200	✓
62	69	Myers Marketing & Research, Parsippany, N.J.	1.9	0.4	423.4	8	1	1	Jack Myers, president	(201) 808-7333	✓
63	63	Norman Hecht Research, Syosset, N.Y.	1.9	1.1	69.6	13	2	1	Norman S. Hecht, president	(516) 496-8858	
64	62	Research & Forecasts, New York	1.4	1.3	8.3	4	6	1	Nicholas J. Tortorello, chmn	(212) 593-6424	✓
65	68	Target Research Group, Pearl River, N.Y.	1.1	0.5	128.0	3	1	1	Ronald Silver, president	(914) 620-0077	✓
66	65	Hughes Research, Rockville, Md.	1.1	0.8	34.7	7	3	1	Thomas B. Hughes, president-ceo	(301) 294-7500	
67	66	Hispanic Marketing Research, San Antonio, Texas	1.0	0.8	32.0	12	45	3	Naghi Namaldoroosh, president	(512) 736-2000	
68	64	Davidson-Peterson Associates, York, Maine	0.9	0.8	7.3	12	10	1	Thomas Lea Davidson, ceo	(207) 363-7347	
69	67	Miller Research Group, Little Rock, Ark.	0.7	0.6	25.5	7	6	1	David F. Miller, president	(501) 221-3303	✓
70	71	Northstar Research Associates, New York	0.7	0.3	155.9	2	5	1	Martin D. Yazmir, president	(212) 594-1117	✓
71	70	Mal Ochs Associates, White Plains, N.Y.	0.3	0.3	(8.3)	2	3	1	Mal Ochs, president	(914)-761-5805	

Notes: Dollars are in millions. * Indicates figures are AA estimates. Source: AA survey.

Compiled by: Kenneth Wylie and Kathy Wolyki. AA chart: Kathy Wolyki

Grappling with changing role

(Continued from Page 31)

the competitive environment," says Verne Churchill, chairman-ceo of Market Facts. "There are so many more people claiming to do market research because a lot of them are people who had responsible positions [at client companies] who have been let go.

"A lot of them have very low overhead or are willing to compromise their margins. The big companies have had to respond. . . . Last year our revenues were up slightly, but our earnings were off."

With fewer buyers and lower budgets, the business of selling research has become more difficult.

"It's tougher to sell, but the reality that shines through is companies are choosing one research company or the other instead of buying it all as they did in the old days," says Bernadette Cognac, VP-syndicated studies for Simmons Market Research Bureau.

"We're finding that client service and the quality of the data have taken on new meaning and importance for our clients, and that's not a bad thing," she says. "They're still buying, but they're double-checking what they're getting. . . . There may be fewer early renewals on syndicated research. But they're buying."

Simmons recently offered a new syndicated study on the children's market that Ms. Cognac says has been well-received. "We knew the market for this study was there. But we also know we're at the mercy of the economy."

New research development may suffer if the recession continues or deepens, says Alice Sylvester, senior VP at J. Walter Thompson USA, Chicago.

"It's no secret that agencies have been downsizing, and there are fewer developmental [research] dollars available," she says. "The big exploration heyday of the '80s is over. The exploration process for agencies has been derailed to a great extent.

"Information Resources is marketing a [$50,000] study on 'How Advertising Works' that I think may be the last big project of that kind offered for a while."

IRI's James Andress, president-ceo, disagrees.

"Agencies don't account for a large percentage of our business," he says, so their downsizing doesn't severely hurt.

Clients such as Procter & Gamble Co. and Unilever are as committed to research as ever, he contends, and the company doesn't intend to scale back plans to expand or develop its research projects.

For media researchers, however, the marketplace may have changed more dramatically and more permanently.

"Even before this recession the industry we serve was undergoing changes, and that had a greater impact on us than the recession," says Ken Wollenberg, exec VP-sales and marketing at Arbitron Co. "We're reacting to the possibility that the broadcast business may never again be the same as it was a few years ago.

"Our customers have more of an eye on the bottom line. The broadcast companies are being run by financial people, and many of the companies are carrying a heavy debt load.

"So they ask, 'What's the payback of research?' This can be a tough question to answer any time, and then in economic hard times clients further question spending on research," he says.

While many researchers may agree with Mr. Wollenberg when he says, "It won't ever be like the '80s again," they won't say the outlook is hopeless.

"I don't see a diminution of our business as a result [of the recession], but I do see our requirements change as our clients change," MRCA's Mr. Learner says. "Clients expect more from us than they may have before when their own staffs were larger. And that's a big plus for us." □

Kenneth Wylie, an Evanston, Ill.-based free-lance writer, contributed to this story.

IRI

(Continued from Page 31)

growth rate is M/A/R/C, which ranked No. 6 with 1990 U.S. research revenues of $56.9 million, up 18.8% from 1989. The company attributes the surge to its new Macro Products simulated test-marketing product, new clients and existing clients' data-base development activities.

Among the 71 research companies responding to *Ad Age's* survey, Myers Marketing & Research, Parsippany, N.J., posted the greatest growth. Its 1990 U.S. revenues shot up 423% to more than $1.9 million as a result of the successful launches of two new services, Worldwide Marketing Leadership Panel and Market Media Influence, says President Jack Myers. □

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Gentle rain turns to torrent

Marketers claim now there's still too much data

By Joseph M. Winski

Ah, for the good old days.

The Nielsen binders would come in. Research would write up reports and send them to marketing. Two months later, the cycle would begin again.

In market research, those days are over for good. Technology can be thanked—or blamed: Scanners and computers have changed the data flow from a gentle rain every other month to a vast river of monthly and even weekly data, often down to store level.

Market research executives at consumer products companies say they're drowning in it all.

"There are just too many numbers and too many things that you can potentially do with them," says Mario Abate, market research director for Warner-Lambert Co.'s American Chicle Group.

The sheer volume of data "has been a nightmare for a lot of client market research directors," says Robert Bailey, director of marketing services at BBDO, Chicago, which does research for clients such as Wm. Wrigley Jr. Co.

"With regard to Wrigley," Mr. Bailey says, "when scanning came along, the amount of data that we were trying to work with . . . multiplied by a factor of five."

The hottest permutation of scanner data, so-called single-source data on the buying behavior of individual households, has added substantially to the overload.

In a late 1989 *Journal of Advertising Research* survey, 71% of company market-research directors questioned agreed that "single-source research has caused an information explosion which is hard to control."

One problem with all the data is that it costs more, simply because there is so much more to buy. The more perplexing issues, though, concern how to handle and interpret the numbers.

Corporate downsizing in the late 1980s has meant companies often have smaller market-research departments. At the same time more people are clamoring for usable data from the research department.

> "The complexity is getting greater and greater."

Today, salesmen have come to appreciate the value of a pitch buttressed by scanner research.

"We really are starting to put together some very specific account presentations based on hard data that the salesman can use to go in and make pitches with," Mr. Abate says.

Thus the quandary: Fewer research people are handling more numbers than ever and are being pressed for answers from more users than ever.

That's leading to a fundamental shift in how research data are handled at some companies.

For example, Colgate-Palmolive Co. has switched to "distributed data processing," a move to decentralize data management and put research in the hands of more staff members, says Jim Figura, VP-consumer research and insights.

Instead of doing the interpreting, research people increasingly are being called upon to show marketing staffers and salespeople how to do it themselves.

That, in turn, means a new type of person in the research department: Someone who understands how to use computers to gather and analyze data but also knows how to help others learn to do so.

Kraft USA has embraced this approach by installing 100 computer workstations in its marketing, sales, promotion and marketing information departments and training 300 people in those departments to use them, says Larry Stanek, VP-marketing information director at parent Kraft General Foods.

The cost, volume and complexity of the data generated by new technologies also are reshaping the relationship between companies and their research suppliers.

Increasingly, companies are relying on just one supplier for numbers they previously may have bought from several vendors. BBDO's Mr. Bailey predicts that by the mid-1990s, "almost all" companies will use just one primary vendor for sales and market-share data.

Already, client-research company partnerships are becoming popular. Thirteen percent of those executives responding to *Advertising Age's* 1991 survey of research companies say they are involved in some form of partnership agreement.

Marketers also are demanding research providers work far more closely with them. American Chicle, for example, has set up on-site office hours for analysts from its research suppliers, Mr. Abate says. These analysts come in at least once a week to interpret data and write reports as if they were part of American Chicle's own staff.

Providers of scanner data insist existing and planned software will make using data easier and wean client companies off their dependence on suppliers for interpretation.

Information Resources Inc. Chairman-CEO Gian Fulgoni contends "data overload" as a lament of research users peaked in 1987.

In fact, 38.2% of the market research companies surveyed say their clients are "very able" to use the volume of data available, and another 51.5% say they're "somewhat able." Only 10.3% say clients are "not very able" to use the data.

Mr. Abate, among others, has his doubts clients are so adept at data manipulation.

"The complexity of these analyses is getting greater and greater even as we're working with them," he says. "I think there are still going to be lots of things that we'll have to go to the suppliers for."

Mr. Figura agrees the age of do-it-yourself analysis for client companies is far off.

"Most people still haven't figured out how to grapple with all this stuff," he says.

"There's still a big gap between what's being sold . . . and what actually is delivered when you are trying to make decisions." □

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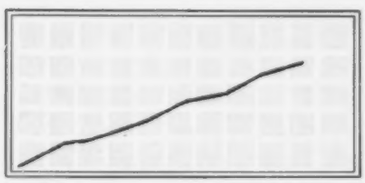

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Picking up the slack

As marketers cut, researchers are stepping in

By Julie Steenhuysen

Research companies' client-service departments are working longer these days —not always with extra pay for the effort.

A soft economy and downsizing in corporate research departments have led marketers increasingly to lean on their research partners for guidance and analysis.

AHF targets companies that have cut back in-house research.

Most research companies have seen clients' research departments undergo cuts: 84.1% of research companies surveyed by *Advertising Age* report their clients have trimmed in-house research staffs.

"When clients cut back in their own staff, they still have the need to do research. And what they do is rely more on companies like us to do their own work for them," says William "Jay" Wilson, president-ceo of research company Starch INRA Hooper.

Such downsizing has resulted in a change in clients' expectations, says Rod Cober, senior VP-marketing and client services at Burke Marketing Research.

Where once clients would design a research project, now they're focusing on setting the objectives for the project and leaving the design, implementation and analysis to the research company, Mr. Cober says.

Client-service departments in particular have felt the change. As many as 70% of the companies surveyed say they have increased their client-service functions as a direct result of cuts in clients' research departments.

The majority of survey respondents say they charge clients for these extra services, reasoning that good client services ought to be compensated.

Some companies, however—more than 20% of those surveyed —are absorbing the added service demands.

Arbitron Co., which serves the recession-battered media industry, has seen employees' workloads increase in tandem with client cuts.

"My staff has offered to bolster media clients' efforts when we can," says Henry Laura, VP-sales advertiser/agency services.

AHF Marketing Research is another company that doesn't charge for additional client-service demands. Instead, it's using client service to gain a marketing advantage.

AHF has been advertising its services as a way for downsized companies to make up for deficiencies in their own research departments. Calvin Greenbaum Creative Services, Sea Cliff, N.Y., created the campaign.

Nielsen Marketing Research USA President John Costello says the cutbacks have provided an opportunity for Nielsen.

"The tight economy has come at the same time as a real growth in information needs in some areas. . . . That's provided us a chance to step in and work with the existing [in-house] staff and provide a supplement to their research," Mr. Costello says.

Nielsen increasingly is sending employees on-site to work with clients on a day-to-day basis in such areas as promotion evaluation and analysis support and category management, Mr. Costello says. These employees remain on Nielsen's payroll, and fees for the services provided are charged to clients.

Although some research company executives see client cutbacks as a way to build new revenue sources, most generally say the long-term impact of client downsizing is negative.

"It brings into question among corporate management the need for research," Mr. Wilson says. "They say, 'If we can downsize, maybe we don't need it.' That has hurt the businesses' image among top corporations."

But Frank Walker, president of Walker Research, remains sanguine.

"In the long run, perhaps, putting the industry through the problems will make it healthier," he says. □

Scott Hume contributed to this story.

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Patrons of the arts

Sports-shy sponsors applaud theater, exhibits

By Scott Hume and Marcy Magiera

The producers toasted the Broadway opening of "City of Angels" with champagne, but when the show opens June 12 in Los Angeles, glasses likely will be filled with Johnnie Walker Black.

That's because Schieffelin & Somerset Co.'s scotch is the sole corporate sponsor of the musical's 43-city tour, following a marketing path blazed last year when "A Chorus Line" began its national tour with Visa International as its sole sponsor.

Stephen Disson, a principal with D&F Group, Washington, which arranged both deals, foresees greater corporate involvement in the performing and fine arts in the next decade. Some of that money will come from sports sponsorships, he said, and some will be new investments from companies looking to enter the sponsorship arena.

Companies spent $150 million on the arts in 1990, or 6% of the $2.5 billion spent on all corporate sponsorships, reported industry newsletter *Special Events Report*. Sports sponsorships accounted for 68%, or $1.7 billion.

This year, $2.9 billion will be spent on corporate sponsorships, the newsletter reported. Sports' take is projected to hit $1.9 billion, but its share may drop as more sponsorship dollars are funneled to cause marketing, festivals, popular music and the arts (projected to maintain about a 6% share with $176 million).

"The economics of sponsoring the national tour of a Broadway show are very appealing," Mr. Disson said. "You get to be the one and only sponsor; it's not diluted as it so often is with sports. And the cost for sponsoring a tour over many months is less than [for] one nationally televised sporting event on one weekend."

"Broadway doesn't know how to market itself, let alone work with corporate sponsors. But it's learning. . . ."

Adam Sanderson
Director of marketing, Affiliate Artists

Liquor and tobacco companies are looking for event marketing opportunities outside sports, where their presence has been criticized and advertising opportunities are limited.

Johnnie Walker Black's sponsorship of "City of Angels" will be mentioned in all TV and radio spots, media typically off-limits to the product. Serino Coyne, New York, handles the show.

The real growth in corporate involvement will come in performing and fine arts programs that tour several markets, Mr. Disson said. That lets sponsors arrange local-market programs for entertaining customers, distributors or staff.

Sara Lee Corp.'s L'eggs Products division last week signed a two-year deal to be the first—and only—corporate sponsor of the Ice Capades' national tour, to build awareness for its Sheer Energy pantyhose brand and Little L'eggs tights for children.

"We promised them there wouldn't be sponsorship clutter," said Thomas Abramson, VP-marketing and advertising for International Broadcasting Corp.'s Ice Capades/Harlem Globetrotters division. The Ice Capades also will customize its logo to include the Sheer Energy name and L'eggs egg. The Kempton Group, Cincinnati, negotiated the deal.

L'eggs has been involved in sports sponsorships since the 1970s and sponsored a series of concerts by the Judds, the country-western singing duo.

The fine and performing arts are latecomers to the sponsorship arena and will need more time to catch up to sporting events' slickness, execs say.

"Broadway doesn't know how to market itself, let alone work with corporate sponsors," said Adam Sanderson, director of marketing for Affiliate Artists, New York. "But it's learning, and the major corporations that have been involved with arts sponsorships have set a good example. Other companies will follow."

The fine arts have even more learning to do.

"The arts used to be protective about not commercializing themselves, but with the drop in [government] funding, the arts now need to turn to corporate sponsors," said Linda Morganstern, event marketing director at Leo Burnett Co., Chicago. "It's nice to get philanthropic grants, but [the arts] are going to have to open their minds to what sponsors may want from them. It's a new frontier for them."

The Smithsonian Institution has signed Xerox Corp. as sole sponsor of "Seeds of Change," an exhibit celebrating the quincentenary of Columbus' voyage that will visit eight cities during 18 months, beginning in October.

Xerox sees the sponsorship as "a reinforcement of the brand's equity," said Michael Kirby, director of advertising and sales. The company may try to take the exhibit overseas once its run at the Smithsonian is over.

But as with all marketing categories, arts sponsorships have their potential pitfalls. Hitachi America is in litigation over the collapse of a planned three-city International Opera Festival tour, in which it had a nearly $1 million sponsorship stake. But despite that experience, the company is looking at other cultural events.

"It's made us more careful about what kind of event we'd get involved with, but in no way have we given up on the arts or entertainment," said Harry McGrath, Hitachi deputy general manager. "With our budget, it's difficult to get into sports sponsorships without getting lost in the noise or settling for minor events. We're a worldwide company. We don't want to be involved unless we can in a major way." □

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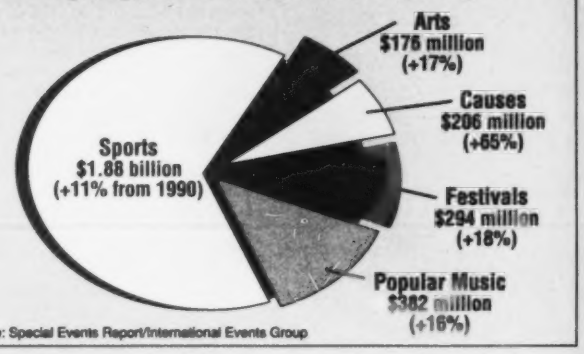
Sports' share of total sponsorship dollars is large but declining, accounting for 64% of the $2.94 billion expected to be spent in 1991, down from 72% in 1988. Sponsorship of the arts has remained steady at 6% during that period, but industry executives say that share may begin to grow. Here's a breakout of 1991 spending:



Source: Special Events Report/International Events Group

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Operation Welcome Home Parade, a June 10 parade down Broadway in New York, is being promoted by this official poster. A stylized picture of a skyscraper festooned by yellow ribbons instead of ticker tape, the poster was designed by artist Milton Glaser and printed by D&L Offset, pro bono, on the only 8-color press remaining in the city. The mile-long parade is expected to attract 2 million people.

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CONSUMER MAGAZINE AD LINAGE

	April 1991	April 1990	Year-to-date 1991	Year-to-date 1990
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	162.0	177.9	468.6	586.6
Automobile Magazine C.	88.8	79.1	257.6	235.6
Car & Driver C.	131.9	110.5	404.2	376.6
Car Collector & Car Classics	14.3	16.2	75.3	64.6
Car Craft	63.2	78.7	208.2	253.0
Circle Track	76.7	81.8	332.2	347.9
Cycle	45.0	65.8	156.8	155.9
Cycle World	45.7	63.8	161.2	179.8
Dirt Rider	45.9	40.2	151.3	147.6
Dune Buggies & Hot VWs	63.0	71.0	265.3	267.9
Easyriders	45.6	25.7	157.3	99.4
Family Motor Coaching	159.3	159.9	660.6	654.4
Four Wheeler C.	79.0	81.5	285.2	288.5
Hot Rod C.	67.4	79.5	226.5	257.4
Motorcyclist	63.8	53.8	169.7	148.8
Motor Trend C.	71.8	77.8	277.5	268.9
Motorhome	81.6	101.4	321.6	375.5
Petersen's 4 Wheel	77.5	85.4	247.6	283.7
Rider	52.5	46.3	93.2	122.3
Road & Track C.	99.0	105.0	340.6	329.2
Trailer Life	82.6	93.2	318.2	358.0
Total Group	**1,616.5**	**1,694.3**	**5,586.7**	**5,803.6**
% change	**-4.6%**		**-3.7%**	
■ Boating & yachting				
Boating	99.7	142.1	408.2	621.0
Chesapeake Bay	33.7	49.0	113.5	164.1
Cruising World	136.7	154.0	431.8	473.7
Lakeland Boating (11X)	71.5	90.5	273.0	350.0
Motor Boating & Sailing	117.4	130.4	393.3	514.7
Sail	112.6	109.4	415.0	500.5
Sailing World	70.5	67.5	211.9	220.3
Trailer Boats (11X)	54.8	77.7	231.7	317.5
Yachting C.	102.6	120.9	468.0	574.2
Total Group	**799.5**	**941.5**	**2,946.4**	**3,736.0**
% change	**-15.1%**		**-21.1%**	
■ Civic/fraternal				
Elk (10X)	14.2	16.0	63.3	66.2
Kiwanis	16.8	15.3	68.2	71.7
Lion (10X)	12.7	5.3	29.7	16.2
Rotarian	15.2	20.0	70.4	66.5
V.F.W. (11X)	28.6	27.6	111.7	107.3
Total Group	**87.5**	**84.2**	**343.3**	**327.9**
% change	**3.9%**		**4.7%**	
■ General				
American Health (10X) C.	26.8	60.8	88.5	211.4
American Heritage (8X) C.	68.8	36.7	124.5	113.3
American Legion	33.1	38.1	141.6	155.2
Art & Antiques (10X) C.	59.3	72.9	250.6	295.6
ARTnews (10X)	98.2	109.0	358.5	455.4
The Atlantic A. C.	45.8	69.8	195.5	207.0
Bon Appetit A. C.	82.3	99.6	307.3	350.6
Buena Salud (6X)	35.5	20.4	108.5	34.6
Cable Guide C.	27.0	29.0	105.5	117.9
Caribbean Travel & Life (6X)	—	—	125.6	76.2
Changing Times C.	47.1	54.4	192.8	217.8
Conde Nast Traveler C.	82.5	103.6	305.4	367.8
Connoisseur C.	99.8	74.3	201.9	238.1
Consumers Digest (6X) C.	—	—	47.9	48.1
Cooking Light C.	—	—	125.2	151.8
Country America (10X) C.	38.9	27.2	139.4	90.4
Departures N. America (6X)	57.1	48.7	136.9	87.1
Ebony C.	71.4	77.5	322.8	370.0
European Travel & Life (10X) C.	34.7	70.6	165.5	170.4
Food & Wine C.	41.3	65.3	174.9	213.6
Golden Years (6X)	—	—	64.4	84.0
Gourmet C.	102.0	122.2	346.2	396.8
Harper's Magazine A. C.	34.8	28.6	125.7	123.0
Islands (6X)	—	—	144.2	112.5
Let's Live	41.0	53.0	179.0	201.0
Life C.	37.5	30.8	156.3	178.1
Longevity C.	41.7	40.0	166.7	121.2
Mature Outlook (6X) C.	—	—	84.3	82.1
Modern Maturity (6X) C.	32.0	35.1	69.1	76.9
Money C.	97.5	114.2	377.6	401.0
National Geographic C.	37.7	27.0	98.3	97.7
National Geographic Traveler (5X) C.	—	—	98.3	98.9
Natural History C.	37.6	65.2	141.5	184.0
New Choices C.	26.1	48.8	104.0	126.2
Prevention C.	35.5	56.5	157.0	211.5
Reader's Digest A. C.	83.8	88.3	293.4	350.4
Saturday Evening Post (9X) C.	31.2	35.9	104.1	113.8
Smithsonian C.	83.8	101.8	291.6	332.1
Spin C.	57.4	35.5	162.2	168.5
Town & Country C.	87.9	133.3	292.5	492.5
Travel-Holiday C.	53.7	59.9	176.7	172.6
Travel & Leisure C.	118.3	164.4	442.4	500.0
Travelhost	1,091.4	1,990.0	4,361.5	4,983.0
Vanity Fair C.	140.6	150.7	376.3	446.1
Yankee C.	66.7	68.3	233.1	257.9
Total Group	**3,287.5**	**4,537.1**	**12,664.9**	**14,263.9**
% change	**-27.5%**		**-11.2%**	
■ Home				
Architectural Digest A. C.	113.1	185.7	394.7	580.1
Better Homes & Gardens C.	119.8	104.1	415.0	379.0
Colonial Homes (6X) C.	62.7	51.5	96.8	98.3
Columbus Monthly-Homes (4X)	16.8	30.5	39.1	57.2
Country Home (6X) C.	69.5	83.1	109.6	114.4
Country Life (6X)	—	—	109.8	104.8
Country Living C.	85.6	109.4	308.6	356.1
Decorating Remodeling (8X) C.	51.9	46.2	96.3	90.0
Family Handyman (10X) A. C.	52.1	32.2	176.2	127.6
Florida Home & Garden	28.3	64.5	156.3	275.0
Flower & Garden (6X)	—	—	39.9	46.7
Home C.	54.0	76.8	198.1	232.1
Home Mechanix C.	57.7	65.8	124.4	167.2
Homeowner (10X) C.	28.2	36.8	97.2	96.9
Horticulture	60.0	52.3	188.5	188.2
House Beautiful C.	65.9	75.2	225.0	236.4
House & Garden C.	97.2	112.9	290.4	346.9
Metropolis (10X)	39.6	54.1	149.4	164.9
Metropolitan Home C.	115.2	145.8	287.0	419.7
Midwest Living C.	93.3	87.5	143.9	128.5
1,001 Home Ideas C.	45.1	77.2	185.8	242.7
Organic Gardening (9X) C.	54.0	42.2	208.0	184.8
Phoenix Home/Garden	46.0	75.8	207.6	285.9
Practical Homeowner (9X) C.	49.2	42.4	193.7	157.8
San Diego Home/Garden	70.9	74.0	241.9	264.3
Southern Accents (11X) C.	48.4	100.8	136.7	235.3
Southern Living C.	136.5	129.9	406.9	435.4
Sunset Magazine A. C.	150.4	161.4	476.7	487.3
Workbench (6X)	—	—	44.7	27.9
Total Group	**1,813.1**	**2,118.1**	**5,748.0**	**6,531.5**
% change	**-14.4%**		**-12.0%**	
■ In-flight & other passenger				
Aboard Group (6X)	—	—	73.4	77.5
Alaska Airlines	50.1	67.5	205.8	281.2
America West Airlines	58.3	70.0	268.0	300.0
American Way (24X) C.	115.7	132.7	465.8	540.3
Continental Profiles	38.5	60.2	148.6	207.1
Delta Sky C.	64.8	76.1	257.8	285.8
Pan Am Clipper	30.3	56.8	127.0	185.9
Southwest Spirit	54.8	54.1	205.9	195.3
Spirit of Aloha	31.8	33.8	143.4	136.4
Trump's	29.5	16.0	83.1	60.5
TWA Ambassador	39.0	41.7	143.3	156.2
United Vis 'A Vis	61.8	76.8	271.0	272.2
US Air Magazine	62.9	61.3	259.3	233.4
Total Group	**637.5**	**747.0**	**2,652.4**	**2,931.8**
% change	**-14.7%**		**-9.5%**	
■ Men's				
Esquire A. C.	76.7	105.5	269.9	387.5
Firehouse Magazine	33.1	45.3	168.8	140.8
Gentlemen's Quarterly A. C.	141.9	173.6	497.8	621.8
M Inc. C.	44.2	65.7	196.7	267.7
Men's Health (6X)	—	—	47.1	24.3
Men's Fitness	31.2	31.2	129.9	123.1
Muscle & Fitness C.	125.7	117.6	479.3	417.0
Penthouse A. C.	52.9	52.3	230.8	206.4
Playboy A. C.	57.3	59.3	230.1	223.0
Total Group	**562.9**	**650.3**	**2,250.3**	**2,411.5**
% change	**-13.4%**		**-6.7%**	
■ Metropolitan				
Aloha (6X)	—	—	73.0	86.0
Annapolitan	45.5	63.3	175.5	257.0
Atlanta	66.4	83.8	250.6	266.6
Baltimore	62.9	81.9	181.6	243.7
Boston	78.5	110.4	295.4	396.9
California C.	56.2	81.2	185.6	247.1
Chicago	76.7	90.8	271.7	365.3
Chicago's North Shore	72.7	90.5	291.5	351.6
Cincinnati	40.6	54.0	134.2	153.3
Cleveland	65.2	53.0	155.9	167.4
Columbus Monthly	50.3	92.3	163.9	256.2
Connecticut	58.9	86.4	222.1	350.2
D/Magazine	52.4	62.6	184.0	216.5
Detroit Monthly	51.0	75.0	174.0	223.0
Grand Rapids	22.3	35.3	89.9	109.1
Gulf Coast (13X)	80.7	49.7	389.4	223.6
Honolulu	47.1	50.4	174.2	204.3
Houston Metropolitan Magazine	107.3	111.8	278.8	255.7
Inside Chicago (8X)	—	—	33.5	42.0
L.A. Style	95.0	133.0	283.1	396.6
Los Angeles	86.1	123.1	334.9	488.0
Louisiana Life (6X)	—	—	55.5	57.2
Madison	32.0	42.0	122.0	149.0
Memphis	57.3	49.7	191.3	208.3
Mid-Atlantic Country	74.2	70.0	201.2	169.5
Milwaukee	53.2	82.5	207.0	234.0
Minneapolis/St. Paul	77.9	117.9	197.8	426.6
Minnesota Monthly Mag.	67.4	75.1	196.6	250.1
New Jersey Monthly	41.1	82.9	170.8	268.0
New Mexico	38.8	39.4	161.3	149.8
New York Woman (10X)	31.3	49.3	95.1	131.9
Ohio	36.8	35.8	155.8	185.1
Orlando	103.9	108.0	372.9	394.2
Pacific Northwest	36.2	71.0	116.3	195.9
Palm Beach Life	31.8	68.1	223.1	351.6
Palm Springs Life	95.8	107.2	552.8	608.0
Philadelphia	118.8	145.7	409.3	539.3
Phoenix	29.1	35.2	114.6	160.0
Pittsburgh	63.2	67.3	246.5	248.1
Rhode Island Monthly	31.2	59.4	151.8	203.2
Sacramento Magazine	49.0	72.0	202.7	225.1
St. Louis	35.3	69.5	139.3	193.2
San Diego	95.5	134.2	359.4	498.6
San Francisco Focus C.	73.9	111.0	259.0	359.8
Sarasota (10X)	55.5	75.0	299.5	405.0
South Florida Magazine	54.6	107.9	230.8	387.1
Texas Monthly C.	117.4	114.6	415.2	429.1
The Washingtonian	96.4	149.2	375.8	514.6
Total Group	**2,811.4**	**3,668.3**	**10,691.3**	**13,233.0**
% change	**-23.4%**		**-19.2%**	
■ Music/entertainment				
Audio	72.1	73.3	297.6	325.8
Dance Magazine	57.8	58.3	254.2	256.6
Playbill	42.3	44.3	150.5	169.9
Premiere C.	75.2	92.6	230.2	257.6
Video Magazine	63.2	59.2	266.1	257.2
Total Group	**310.5**	**327.8**	**1,198.6**	**1,267.2**
% change	**-5.2%**		**-5.4%**	
■ Outdoor & sport				
Alaska	46.5	51.8	187.6	174.1
The American Handgunner (6X)	—	—	103.0	113.0
American Hunter	12.2	14.2	59.7	71.2
American Rifleman	20.1	17.8	78.9	85.3
Backpacker (8X) C.	53.8	41.8	76.0	65.4
Bassmaster (10X) A. C.	52.5	75.2	314.8	319.6
Bicycling (9X) C.	138.2	135.0	341.0	349.1
Body Boarding (8X)	29.2	39.4	55.7	70.8
Ducks Unlimited (6X)	—	—	54.9	71.6
Field & Stream C.	71.1	67.3	265.5	292.2
Fishing World (6X)	—	—	71.2	128.0
Flex	82.5	70.3	293.7	255.2
Florida Sportsman	121.4	138.3	487.0	597.5
Golf Digest C.	118.5	120.5	401.2	476.8
Golf Illustrated C.	46.3	63.1	159.1	179.9
Golf Magazine C.	87.3	95.6	464.9	490.8
Guns	34.0	35.0	142.0	144.0
Guns & Ammo	38.8	39.4	139.4	185.3
In-Fisherman (7X)	68.0	82.0	255.0	275.5
Outdoor Life C.	77.9	75.7	262.2	269.6
Outside Magazine C.	102.4	80.6	270.2	233.9
Petersen's Hunting	37.2	38.2	141.0	136.7
Runner's World (12X) C.	54.9	43.8	198.8	124.7
Salt Water Sportsman C.	78.1	90.6	380.8	473.9
Shooting Times	23.8	28.3	102.4	124.1
Sierra (6X)	—	—	86.5	69.5
Ski (8X) A. C.	38.3	45.0	287.0	252.8
Skiing (7X) A. C.	—	—	229.6	230.0
Skin Diver C.	131.3	120.1	475.3	445.4
Southern Outdoors (9X)	45.2	41.0	172.9	193.0
Southern/Western Links (6X)	44.9	40.2	72.8	72.7
Sport Magazine C.	28.9	27.6	133.3	114.0
Sports Afield C.	76.6	76.9	269.3	282.3
Surfing	69.7	59.7	276.7	235.2
Tennis C.	74.5	64.6	226.9	230.2
Volleyball (9X)	25.1	—	53.7	—
Waterski (10X)	60.8	83.6	230.7	244.0
Western Outdoors (9X)	24.0	43.4	98.3	166.6
WindRider (8X)	52.8	66.5	105.5	127.2
World Tennis C.	41.8	48.8	123.6	141.3
Total Group	**2,118.5**	**2,161.3**	**8,148.2**	**8,552.1**
% change	**-2.0%**		**-4.7%**	
■ Photography				
American Photo (6X) C.	—	—	86.1	86.7
Petersen's Photographic	37.8	27.7	114.7	88.8
Popular Photography C.	106.9	104.2	422.7	396.9
Total Group	**144.7**	**131.9**	**623.5**	**572.4**
% change	**9.7%**		**8.9%**	
■ Science/electronic/mech				
Discover C.	40.4	32.4	134.1	146.3
Home Office Computing C.	36.3	39.0	157.6	206.9
Omni C.	52.2	45.3	229.5	210.1
Popular Mechanics C.	80.0	75.8	237.3	256.5
Popular Science C.	65.4	76.6	213.5	236.0
Scientific American C.	79.0	35.6	218.0	138.3
Spectrum C.	46.0	47.6	185.1	207.0
Total Group	**399.2**	**352.4**	**1,375.1**	**1,401.1**
% change	**13.3%**		**-1.9%**	
■ Woman/fashion/service				
Bride's Magazine (6X) A. C.	443.7	504.3	1,251.5	1,295.0
Cosmopolitan A. C.	180.4	192.1	622.7	635.0
Elle C.	158.7	238.1	553.6	682.1
Essence C.	64.8	73.5	229.4	272.7
Family Circle (17X) A. C.	167.7	184.9	515.2	537.8
Glamour C.	206.6	194.4	567.9	553.2
Good Housekeeping A. C.	146.3	156.2	526.9	524.5
Harper's Bazaar C.	98.2	127.6	376.9	477.8
Health C.	36.8	39.7	134.5	143.9
Imagen	89.9	133.0	293.7	384.1
Ladies' Home Journal C.	138.8	148.7	497.5	498.1
Lear's C.	48.4	53.5	166.5	220.5
Mademoiselle C.	138.4	166.9	398.4	479.8
McCall's C.	80.2	72.5	333.9	305.6
Military Lifestyle (10X)	35.9	45.6	135.8	169.2
Mirabella C.	94.4	84.2	323.1	369.7
Modern Bride (6X) C.	380.6	393.8	1,007.9	1,025.2
New Woman C.	68.4	91.8	258.1	301.4
Parenting (10X) C.	77.5	78.7	240.1	211.4
Parents Magazine A. C.	121.9	138.0	445.3	441.7
Redbook C.	101.0	92.6	361.3	359.0
Self C.	98.7	117.9	298.4	410.1
Seventeen C.	105.3	153.9	340.7	449.5
Shape C.	62.7	54.1	213.8	199.1
Soap Opera Digest (26X) C.	49.5	39.5	143.5	135.7
Teen Magazine	44.5	44.3	162.0	173.1
True Story A. C.	43.1	56.2	162.0	221.6
Victoria C.	51.1	53.9	173.5	192.2
Vogue C.	231.5	289.3	885.1	1,000.0
W Magazine (26X) C.	102.9	136.1	409.1	529.7
Weight Watchers C.	29.0	37.3	137.1	150.6
Woman's Day (15X) A. C.	104.6	119.4	307.6	450.7
Workbasket (6X)	—	—	37.1	21.3
Working Mother C.	60.3	66.6	224.3	243.1
Working Woman C.	68.9	79.4	282.9	330.1
Total Group	**3,930.6**	**4,457.8**	**13,017.0**	**14,394.3**
% change	**-11.8%**		**-9.6%**	
■ Youth				
Boys' Life C.	18.7	15.2	64.0	73.8
Campus Life (10X)	41.0	37.8	206.7	177.8
Total Group	**59.7**	**53.0**	**270.7**	**251.6**
% change	**12.6%**		**7.6%**	
■ Business/national				
Barron's	162.5	177.1	514.9	575.0
Black Enterprise C.	40.3	50.5	248.0	280.9
Business Week (52X) A. C.	350.3	426.3	951.1	1,182.3
Economist (52X) C.	194.4	254.1	735.3	857.7
Entrepreneur C.	168.0	166.4	703.6	677.1
Financial World (26X) C.	92.0	111.0	216.7	356.0
Forbes (26X) C.	354.5	479.0	920.1	1,158.9
Fortune (26X) C.	297.2	327.9	705.9	952.8
Frequent Flyer	34.8	39.7	144.1	152.7
Futures	50.2	43.3	160.4	160.2
Harvard Bus. Review (6X) C.	—	—	102.7	120.3
Inc. Magazine C.	75.4	72.2	272.7	309.0
Income Opportunities	65.4	71.1	304.2	298.0
Industry Week (23X) A.	78.2	99.8	270.4	353.6
Nation's Business (12X) A. C.	23.8	20.1	103.0	103.0
Success C.	31.1	32.2	142.9	111.7
Total Group	**2,018.1**	**2,370.5**	**6,495.9**	**7,649.0**
% change	**-14.9%**		**-15.1%**	
■ Business/regional				
Bus. First-Columbus (52X)	116.3	102.4	392.6	345.6
Bus. Jrnl.-Milwaukee (52X)	136.7	169.0	465.0	603.0
Bus. Jrnl.-Sacramento (52X)	97.6	107.6	304.2	351.8
Bus. North Carolina	34.7	44.2	117.3	144.8
Capital Dist. Bus. Review (52X)	111.0	104.9	296.2	282.5
Caribbean Business	86.9	120.1	339.5	387.0
Corporate Rpt. Minnesota	37.2	41.7	170.3	132.6
Crain's Chicago Bus. (52X)	150.7	185.0	389.4	536.1
Crain's Cleveland Bus. (52X)	101.0	130.6	245.9	292.0
Crain's Detroit Bus. (52X)	74.8	105.8	258.3	349.8
Crain's New York Bus. (52X)	90.0	94.0	227.0	247.0
Florida Trend (13X)	55.5	95.5	143.3	204.8
Georgia Trend	48.7	51.2	148.0	169.3
Grand Rapids Bus. Jrnl.	64.5	57.7	208.4	214.3
Hawaii Business	52.2	54.0	191.9	195.0
Houston Bus. Jrnl. (52X)	161.9	94.0	444.0	293.0
Indianapolis Bus. Jrnl. (52X)	160.8	164.9	469.0	549.6
Nashville Business & Lifestyle B.	21.1	—	80.8	—
New England Bus. (12X) A.	30.2	40.0	95.5	135.8
New Orleans City Bus.	69.1	43.4	297.8	197.2
Pacific Bus. News (52X)	118.4	146.1	394.0	406.3
Philadelphia Bus. Jrnl. (52X)	129.0	161.8	207.2	269.2
Pittsburgh Bus. Times (52X)	65.9	102.9	230.4	390.0
Providence Business News	70.5	69.5	261.5	264.8
Regardie's/Washington (7X)	92.0	134.0	267.0	466.0
St. Louis Bus. Jrnl. (52X)	166.7	134.4	495.9	436.7
Warfield's/Maryland (26X)	63.7	69.8	207.6	230.9
Total Group	**2,385.9**	**2,624.4**	**7,267.1**	**8,095.0**
% change	**-9.1%**		**-10.2%**	
■ National Sunday mags				
Parade (52X) C.	55.8	71.3	252.4	213.3
USA Weekend (52X) C.	62.7	65.4	213.0	220.0
Vista Magazine (52X)	12.6	17.3	52.3	63.6
Total Group	**131.2**	**154.1**	**517.6**	**497.0**
% change	**-14.9%**		**4.2%**	
■ Newspaper Sunday magazine				
Boston Globe	114.5	155.6	491.2	707.9
Chicago Tribune	156.5	153.4	375.9	470.0
Cleveland Plain Dealer	69.3	94.5	160.7	230.5
The Dallas Morning News	59.7	71.2	180.2	202.8
Detroit Free Press	66.0	92.0	156.0	196.0
L.A. Times C.	136.8	140.4	242.3	351.5
New York Times Mag. C.	287.6	443.6	967.3	1,262.2
Philadelphia Inquirer	111.5	133.1	289.9	357.4
Seattle Times	60.0	109.0	228.0	300.0
St. Louis Post Dispatch	102.8	102.2	299.3	296.0
Toledo Blade Magazine	33.6	51.2	128.4	138.0
Washington Post	88.7	130.3	323.9	406.5
Total Group	**1,287.0**	**1,676.5**	**3,843.1**	**4,915.8**
% change	**-23.2%**		**-21.9%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	204.3	122.0	718.8	517.3
Army Times Military Group:				
Air Force Times (52X)	163.4	185.6	531.3	604.4
Army Times (52X)	155.5	178.9	519.9	593.0
Navy Times (52X)	166.7	196.7	561.8	628.6
Capper's (26X)	27.9	27.8	123.4	127.8
Commonweal (22X)	7.5	13.5	33.6	45.6
Entertainment Weekly (52X) C.	56.2	59.6	241.8	211.9
Golf World (41X) C.	188.1	156.7	616.2	621.5
Grit (52X) A.	31.0	51.0	151.0	160.0
Jet (52X) C.	98.5	107.4	334.5	338.8
National Journal (50X) C.	83.8	94.3	203.8	222.8
National Review (25X)	11.6	35.9	42.6	102.9
New Republic (48X)	47.0	42.1	162.8	161.1
New York Mag. (50X) C.	232.3	310.5	666.6	831.6
New Yorker C.	182.8	252.6	500.7	742.0
Newsweek (52X) A. C.	160.7	216.2	529.7	689.7
People (51X) C.	283.0	405.2	946.1	1,061.6
Rolling Stone (25X) C.	144.6	165.8	443.7	552.4
Sporting News (52X) C.	45.9	60.7	135.0	178.3
Sports Illustrated (52X) A. C.	218.8	236.5	676.3	815.2
Time (52X) A. C.	214.7	272.2	656.3	801.4
TV Guide (52X) A. C.	178.6	231.0	832.1	1,033.6
US Magazine (26X) C.	44.1	80.6	131.4	225.3
U.S. News & World Report (50X) A. C.	188.0	185.4	515.2	581.7
Total Group	**3,134.9**	**3,688.3**	**10,274.5**	**11,848.6**
% change	**-15.0%**		**-13.3%**	

NOTES: Linage is given in paid ad pages. (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and % change. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. *Ad Age* makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

NOTE

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LAST MINUTE NEWS

Snyder seen as next AAF president

NASHVILLE, Tenn.—Wally Snyder, exec VP of the American Advertising Federation, is the likely choice of the AAF's board to succeed Howard Bell as president of the 52,000-member trade group, industry sources said. The board was scheduled to vote today at the AAF national conference here *(see story on Page 4)* on who will take over at yearend when Mr. Bell retires. Mr. Snyder came to the AAF in 1985 from the Federal Trade Commission, where he was associate director of advertising practices.

Goldstein Chilko suit settled

CINCINNATI—A wrongful-death suit filed against Omnicom Group and its DDB Needham Worldwide unit by the widow of Robert V. Goldstein, former Procter & Gamble VP-advertising, has been settled out of court. The case had been slated for trial June 17. Mr. Goldstein and four others were killed during an August 1987 rafting trip on Canada's Chilko River organized by executives in DDB Needham's Chicago office. Terms of the settlement weren't disclosed. Nancy Goldstein had sought $20 million in damages.

Dentsu board gets more int'l

TOKYO—Dentsu has named four new executive directors to its board, increasing the board's international focus. New board member Nobuo Momose, 57, director of account service division 7, has built a reputation as a talented client-service director especially with foreign clients such as Nestle and Philip Morris. Other new executive directors on the board are Gunshiro Nemoto, 54, director of account

(Continued on Page 8)

INSIDE

One on one: Michael Jacobson takes on product marketers. **Page 12**

WORK PLACE.

Really smokin': Wrigley hikes budget, adds spots to hot campaign. **Page 14**

AmEx shops around

New marketing answers sought beyond O&M

By Jon Lafayette and Gary Levin

NEW YORK—American Express Co. is seeking new marketing solutions for its troubled credit card division and is looking beyond its primary ad agency, Ogilvy & Mather, for help.

Although AmEx is seeking new work from O&M, the company has also turned to Wunderman Worldwide and Chiat/Day/Mojo, two agencies already on its roster, for new ideas.

AmEx is taking a broad look at the brand image of all its credit cards but is also looking to replace O&M's "Membership has it privileges" umbrella marketing theme, sources said.

"They outlined an opportunity to current agencies and asked for their thinking," said an executive close to the company.

Wunderman, a unit of Young & Rubicam, handles direct marketing and media advertising for AmEx's corporate card and Optima card while Chiat handles both for the Gold card.

O&M has handled advertising and direct marketing for the $60 million green card account since 1962, and the agency has come under pressure since several key staffers who worked on the account left the agency.

Last month in London, Wunderman was named to handle a new campaign to stimulate card use, beating out several agencies, including O&M, which retained the green card account.

AmEx denied a shift in strategy or agency lineup is imminent.

"We always talk to [our agencies] about strategy, and

(Continued on Page 54)

KGF eyes ConAgra counter

By Julie Liesse

The Eating Right brand looks like it's going to be Kraft General Foods' healthy choice.

Determined to find a brand name to showcase a multicategory line of "healthy" foods, the nation's leading food marketer is readying a product line under the Eating Right banner that would encompass dry grocery, dairy and frozen foods.

Such a line would be the first direct competition for ConAgra's Healthy Choice, which is rapidly expanding its own supermarket presence beyond the freezer case.

An Eating Right line would replace Kraft Alternatives, a similar group of low-cholesterol, low-fat "foods for healthier eating" that Kraft General Foods has been testing in two markets since February.

Tennis star Chris Evert stars in new spots for the Eating Right line from Kraft General Foods.

Subsidiary All American Gourmet Co. rolled out Eating Right frozen entrees this spring after a short test.

Kraft General Foods confirmed it's considering putting the Eating Right name on the six-category Alternatives line, which includes salad dressing, mayonnaise, chunk cheese, processed cheese slices, table spread and cream cheese. But the company declined to comment on specific marketing plans for the line.

■ **Food marketers beating hasty retreat from health claims—Page 3.**

However, Chris Evert, spokeswoman for the new Eating Right frozen entrees, has already filmed two TV commercials for an Eating Right frozen dessert and Eating Right frozen pizza, said the tennis star's representatives at IMG.

Also, supermarket buyers around the country have been advised by Kraft General Foods representatives that the company is going to present to

(Continued on Page 55)

Karen Cawthon

By Rob Levin

In the South, it's become almost commonplace to dub any promising new ad agency "the next McDonald & Little"—a tribute to a shop that put Atlanta advertising on the map in the 1970s.

McDonald & Little went out of business in 1985, four years after being acquired by Ted Bates Worldwide. One day in 1989, Michael G. McDonald, co-founder of the original agency, retired and restless, had an idea:

"I thought, 'Gee, I know something about being the next McDonald & Little,' " he recalls.

His new agency, McDonald Group, started with a flourish, hurtling from letterhead to $10 million in billings even before officially opening its doors in January 1990.

Things haven't gone quite so well since. *Advertising Age*, with Mr. McDonald's cooperation, has monitored his return to the advertising business and reports on a celebrated adman's effort to recapture the magic.

Summer 1991: Retired since 1986 and just 57 years old, Mr. McDonald is bored. Nothing in his life has matched the fun and challenge of building McDonald & Little, which at its peak billed more than $60 million and was the largest independent agency in the South.

McDonald & Little, he remembers with pride, turned out some of the South's most memorable advertising. It had big-name cli-

(Continued on Page 18)

The Triple Crown

Last month, U.S.News won three of the most prestigious awards in journalism.

1. Overseas Press Club Award

The Overseas Press Club Award for the Best General Magazine Article on Foreign Affairs for "The Most Dangerous Man in the World," a grave warning about the menace of Saddam Hussein – published ten weeks before Saddam invaded Kuwait. It meticulously outlined the size and scope of the arsenal being accumulated in Iraq.

Commenting on this cover story, the Washington Post said, "U.S.News can lay claim to some remarkable prescience.... Such editorial decisions are not flukes, but evidence of thinking ahead of the curve."

2. National Magazine Award

The National Magazine Award for Feature Writing for "Vietnam Story," a powerful reconstruction of the first major battle of that war and a tough analysis of its lessons and consequences -- written by Joseph Galloway, the only journalist present at that engagement 25 years ago.

Galloway also covered the war in the Persian Gulf for U.S.News, where his reporting was part of the extensive war coverage that Forbes magazine called "a journalistic coup.... Just as CNN left the networks running to catch up in TV coverage, U.S.News pulled off a similar feat over its newsweekly rivals."

3. Sigma Delta Chi Award

The Sigma Delta Chi Award for Magazine Reporting for "Death at Sea," an expose by Peter Cary of the Navy's investigation into the explosion aboard the *U.S.S. Iowa.* Within two months, the Navy reopened the case.

It's one example why government and business leaders in Washington, in a recent survey by Washingtonian magazine, rated U.S. News more accurate than any other newsmagazine. And why Forbes calls U.S.News "the most useful, readable newsweekly."

These three awards, plus the White House Correspondents' Association's Award for Presidential Coverage and sixteen other major awards received for 1990, confirm our commitment to deliver the best newsmagazine journalism in America.

U.S.News

NEWS SUMMARY

■ **American Express Co.,** seeking new marketing solutions for its troubled credit card division, is looking beyond its primary agency, Ogilvy & Mather. 1

■ **Kraft General Foods** is readying a broad grocery products line under the Eating Right banner. 1

■ **U.S. Army** put its recruiting ad account, now at Young & Rubicam, up for review. 3

■ **Food marketers,** including Kraft General Foods, responding to FDA complaints, said they would eliminate percentage fat claims from food packages and labels. 3

■ **Elizabeth Taylor** will use TV and print this summer to introduce her new women's fragrance, White Diamonds. 3

■ **Top Addy award winners** at the AAF national conference were GSD&M and Elgin Syferd/DDB Needham. 4

■ **Kellogg Co.** in August will introduce Double Dip Crunch, its second new children's cereal of the year. 4

■ **Nabisco Foods** awarded a bonus to agency Lowe & Partners for its campaign for Grey Poupon mustard. 6

■ **Unilever** is testing an incentive system for its U.K. agencies and may expand it to Europe. 6

■ **Vons** California grocery chain dropped J. Walter Thompson USA from its $22 million account. 6

■ **Anne Klein Group** this week will unveil a new line of clothing called A Line. 8

■ **Product placements in movies** were attacked by ad critic Michael Jacobson, but the Federal Trade Commission's reaction was cool. 12

■ **Wm. Wrigley Jr. Co.** has shifted all Spearmint gum media dollars into its smoker's alternative campaign. 14

■ **Compact disc players** that show videos, play games and provide reference material will arrive this fall. 16

■ **Murata** next August will introduce a facsimile machine designed for home use. 16

■ **Most magazines** that have bucked the general advertising downturn serve specific niches. 20

■ **An Ohio legislator** has proposed selling ad space on state property, including tax return forms. 50

■ **Toyota** is introducing its new Paseo sporty subcompact with TV spots spoofing subliminal advertising. 53

■ **Apple Computer** says it will put more emphasis on product and less on image in its ads next year. 53

■ **Della Femina, McNamee** Chairman Jerry Della Femina will become ceo of parent Eurocom's new U.S. holding company, Eurocom Della Femina. 55

■ **Upfront buyers** have bought about half the prime-time network TV upfront supply for next season. 57

■ **Ford's** award of its Eastern Europe account to Ogilvy & Mather may mean more multicountry accounts there. 58

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Weak season ahead

Agencies expect lackluster results for new shows

By Joe Mandese

Only five of the 25 new series scheduled by the Big 3 networks for the 1991-92 TV season are predicted to have winning audience shares, according to an informal survey of agency executives by *Advertising Age*.

Only one of the new series, ABC's "Home Improvement," is expected to be a "hit" by those polled.

Twelve of the new series are projected to have dubious fates, each generating estimated audience levels of 15 share points or less.

A share point is equal to 1% of TV households watching TV during a given time period. A show is usually deemed successful if it captures at least a 20 share.

Agency executives deemed the balance of the new series to be "borderline."

In addition to "Home Improvement," shows expected to win their time periods with more than a 20 share include ABC's "Step by Step", CBS' "The Carol Burnett Show" and NBC's "The Torkelsons" and "Nurses."

The estimates are based on the strength of a new series' pilot episodes and are generally more conservative than a network's own estimates.

Agency executives base their estimates on the audience flow of shows leading into and out of the new shows and weigh the appeal of the new programs against the strengths of competing shows scheduled on the other networks.

Overall, agencies predicted the Big 3 will lose about 2 share points during the fourth quarter of 1991, compared with the same period last year. The losses will come at the expense of NBC, while ABC and CBS are expected to remain flat in their overall audience delivery.

Based on the new estimates, agency executives said a new ranking of the top 20 shows will emerge with the new season, both in terms of household and demographic delivery.

According to estimates from New York-based Bozell, ABC's "Family Matters," CBS' "Sunday Night Movie," and NBC's "The Goiden Girls" and "Unsolved Mysteries" will drop out of the top 20, along with NBC's canceled "Matlock."

At the same time, ABC's "The Wonder Years" and "Home Improvement," and NBC's "In the Heat of the Night," "Wings" and "L.A. Law" will enter the top 20, Bozell said.

While "Home Improvement" is the only new series to join the top 20 ranking on a household basis, several new series will emerge as demographic leaders, Bozell said.

"Home Improvement" will deliver top 20 shares in all the major demos, while ABC's "Step by Step" will rank highly with women ages 18 to 34, teens 12 to 17 and kids 2 to 11. CBS' "The Carol Burnett Show" is predicted to be a leader in delivering men and women 50-plus, as is NBC's "I'll Fly Away."

NBC's "The Torkelsons" and "Nurses" are projected to deliver high shares of women 50-plus.

Fox Broadcasting Co.'s series aren't expected to deliver winning household shares, but the fledgling network's "Roc" series is expected to rank in the top 20 with men 18 to 34 and "Shut Up, Kids" with kids 2 to 11.

Although Fox's new series may not generate high household shares by Big 3 standards, agency executives noted that "Roc" and "Shut Up, Kids" with projected 14 and 13 shares, respectively, should still be considered successes, because Fox's ratings average about half of the Big 3's.

Moreover, agency executives noted that even "borderline" and "failing" series on the Big 3's schedules must be weighed against the objectives of specific time periods.

"Any of the other networks would be happy to have a 15 share opposite CBS' "60 Minutes" on Sunday nights," said Bozell Director of Broadcast Research Steve Sternberg. "But that might be considered a failure on any other night."

He added that the relatively low share estimates for new shows initially touted by agencies, including CBS' "The Royal Family" and ABC's "The Commish," reflect the difficulty of their time slots.

"It's a tough time period for CBS," Mr. Sternberg said. "You have 'Dinosaurs' and 'Wonder Years' getting the kids and teens on ABC and "Unsolved Mysteries" getting the older viewers on NBC."

The definition of a successful share for the 1991-92 season is complicated by the current parity in the three-network race, said Dave Marans, senior VP-research at J. Walter Thompson USA.

"It's difficult to say what's a winning share, because a show like 'thirtysomething' was doing an 18 share with excellent audience composition, but the network programmers felt it didn't merit returning," he said. □

How they'll do

Agency share estimates for new 1991-92 network TV series*.

Series (network)	Share of audience
Home Improvement (ABC)	25
Step by Step (ABC)	23
Nurses (NBC)	23
Carol Burnett (CBS)	21
The Torkelsons (NBC)	21
I'll Fly Away (NBC)	18
Home Front (ABC)	17
Royal Family (CBS)	17
Princesses (CBS)	17
The Commish (ABC)	16
Grown-ups (ABC)	16
Brooklyn Bridge (CBS)	16
Palace Guard (CBS)	16
Bird & Katt (ABC)	15
Teech (CBS)	15
Reasonable Doubts (NBC)	15
Good & Evil (ABC)	14
CBS Saturday Movie (CBS)	14
P.S. I Luv U (CBS)	14
Adventures of Mark & Brian (NBC)	14
Man of the People (NBC)	14
Pacific Station (NBC)	14
Flesh 'N' Blood (NBC)	14
FBI: The Untold Stories (ABC)	13
Eerie, Indiana (NBC)	12

*Average of six major agency reports.

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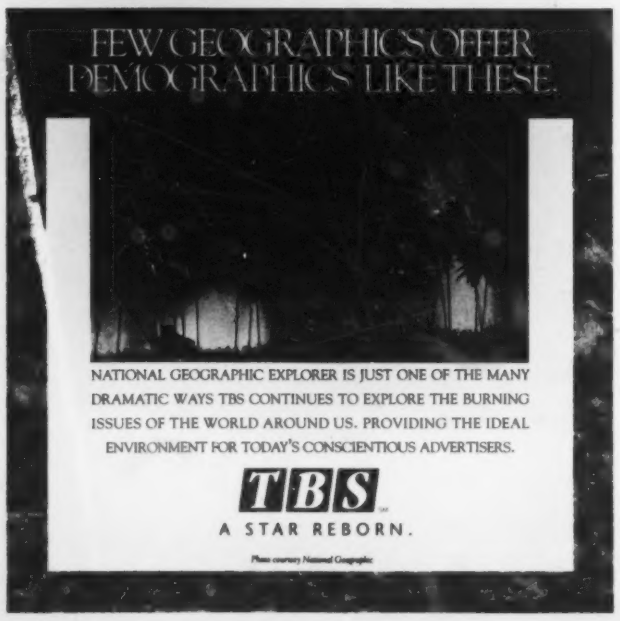
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Claiborne attire tries on ads . . .

By Pat Sloan and Gary Levin

NEW YORK—Liz Claiborne Inc., the country's largest women's apparel marketer, is looking to Madison Avenue after building to more than $1.7 billion in annual sales during the past 16 years with little or no advertising.

The company has given a preliminary nod to a $15 million print campaign scheduled to break this fall, industry sources said.

Official approval for the plan is expected this week.

The effort is slated to break in late fall and will consist of multiple-page spreads in a variety of magazines, from Altschiller Reitzfeld/Tracy-Locke.

Wendy Banks, senior VP-corporate marketing for Claiborne, said she couldn't confirm the company's marketing plans, but sources close to the company said bids are now being taken from photographers. Once final approval is given, shooting will start within the next several weeks.

"I have heard there was a marketing program coming," said retail analyst Walter Loeb of Loeb Associates. "They're one of the biggest, so it doesn't surprise me."

A $15 million ad budget would make Claiborne possibly the leading ad spender in apparel.

Leslie Fay Cos., the second-largest women's wear marketer with sales estimated at $850 million, spent only $2.9 million on measured media in 1990, according to LNA/Arbitron Multi-Media Service.

Ellen Tracy, another major women's wear company, spent $1.3 million, while Calvin Klein Inc. spent $7.3 million (men's and women's apparel) and Guess Inc., $12.3 million (men's, women's and children's apparel).

"Claiborne is one of the few and maybe [the] only major apparel manufacturer that's not done image advertising," said one executive close to the company. Instead, the company has relied on co-op newspaper ads with retailers and mini-catalogs.

In today's tough retail climate, "retailers and their suppliers have to market themselves better," Mr. Loeb said. "Claiborne has such a dominant position that they have to help the retailer. They can't stand still. They have to move forward."

Sources speculate the goal of the campaign is to bring new buyers into the market and to put Claiborne in control of its image, recently extended to men's clothing and women's jewelry.

Claiborne currently advertises its fragrances via Altschiller. □

. . . As Neutrogena boosts use of TV

By Pat Sloan

Neutrogena Corp., a longtime print advertiser, is increasing its use of TV to counter intensified competition and flat sales.

The toiletries marketer has been working with Dailey & Associates, Los Angeles, on a project basis since last year to incorporate TV into its media mix. Neutrogena plans to allocate a greater portion of its $38 million budget to the medium.

"We never have spent more than $1 million on TV, and that was back in the '70s," CEO Lloyd Cotsen said, adding, "It wasn't done well, and it didn't work."

The company took a second crack at TV last year, starting a $3 million-plus test campaign for Neutrogena shampoo in Los Angeles and Boston. That effort, also from Dailey, will roll out nationally this month, after having been extended to markets representing 59% of the country during the past five months.

The ad budget is expected to increase with the rollout of that effort. Neutrogena's agency of record is Eisaman, Johns & Laws.

The spots focus on product benefits and are themed "Neutrogena shampoo. A breath of fresh air for your hair." That campaign spurred at least a 20% increase in shampoo sales, said Martha Pease, senior VP-marketing.

In August, Neutrogena will start a second national TV campaign, for its core skincare business.

Ms. Pease said the $6 million skincare campaign will run through October, supported by a free standing insert in Sunday newspapers.

"What we want to do is bring the Neutrogena message to a broader audience," Ms. Pease said.

Both Ms. Pease and Mr. Cotsen cited the aggressive use of TV by Neutrogena rivals—notably L'Oreal's Plenitude and Procter & Gamble Co.'s Oil of Olay—as one reason for the media shift.

Last year, L'Oreal spent more than $16 million in measured media on network TV for Plenitude and P&G more than $25 million for Oil of Olay.

"The other thing that's forcing us to look at our business differently is the way industry sales are shifting in terms of outlets," Mr. Cotsen said. Because of retail consolidation, "there are today fewer drug outlets doing more of the business," he said.

As a result, the company is broadening its distribution, both by adding newer retail formats, such as combination food-and-drug outlets, to its U.S. accounts and by increasing its presence in Europe. □

NOTE

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NEWSPAPER

Advertising Age

June 17, 1991

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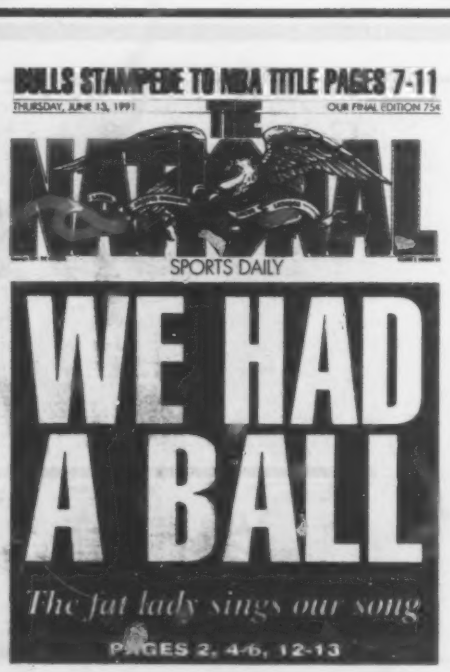
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THURSDAY, JUNE 13, 1991
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THE NATIONAL
SPORTS DAILY
WE HAD A BALL
The fat lady sings our song
PAGES 2, 4-6, 12-13

Distribution strikes out

By Scott Donaton

NEW YORK—*The National*, the grand experiment in sports journalism that was never embraced by the advertising community, in the end may have been done in more by distribution problems.

The 16-month-old paper, the nation's first all-sports daily, ceased publication with its June 13 issue after losing more than $100 million since its launch.

The National was published by National American Sports Communications, a partnership controlled by Mexican media mogul Emilio Azcarraga Milmo, president-ceo of Televisa.

Current and former *National* executives and industry observers indicate the paper's distribution problems presented a long-term, costly challenge to survival. Those problems may have outweighed "eroding business prospects for the publishing industry," cited by *The National* as the main reason for the paper's demise.

Media analysts and buyers also say the failure may signal that the sports media marketplace has reached saturation.

The paper's daily circulation when it closed was less than 200,000, said Frank

(Cont'd on Page 49)

Jan. 31, 1990: *The National* is launched amid much fanfare in New York, Chicago and Los Angeles with a rate base of 250,000.

Nov. 1990: President-Publisher Peter O. Price is ousted and replaced by Jaime Davila, a trouble-shooter for owner Emilio Azcarraga. Suspends Sunday editions.

Dec. 18, 1990: *The National*, admitting it's fallen far short of circulation guarantees, lowers its rate base to 200,000 from 275,000.

Jan. 21, 1991: *The National* raises its cover price to 75¢ from 50¢.

Jan. 31, 1991: Editor Frank Deford denies rumors the paper will be folded or sold, saying Mr. Azcarraga's "commitment remains strong."

June 13, 1991: Publishes its last issue, having lost $100 million.

Ad tax to fund pols?

Idea floated at House hearing on election reform

By Steven W. Colford

WASHINGTON—A congressional task force is considering a national tax on all commercial advertising as a source of public funding for federal political candidates, their campaigns and their ads.

U.S. Rep. Sam Gejdenson (D., Conn.), chairman of the House Administration Task Force on Campaign Reform, disclosed the ad tax option last week during a hearing on political advertising and campaign reform.

An aide later confirmed the idea as one of a half-dozen revenue-raising "trial balloons" being examined by the task force, formed earlier this year to develop comprehensive reforms to federal election practices and finances.

Under the proposal currently being considered, a 0.25% tax would be assessed on virtually all advertising, to be collected by broadcasters and publishers quarterly and turned over to the general treasury, said Perry Pockros, staff director for the task force.

Those funds could be used to finance a candidate's political ads and all other campaign expenses.

Another idea is to use the funds to "pay for finance reform and some other proposals before the Ways & Means Committee," such as low-cost housing, Mr. Pockros said.

The task force expects to introduce legislation soon and hopes for a vote by the House before August.

The legislation would face considerable opposition in the House, but both Congress and the White House have said they want campaign reform legislation in time for the 1992 elections.

Mr. Pockros said the task force's current calculations

(Continued on Page 47)

David Hills

Democratic media consultant Robert Squier (r.) and Republican counterpart Roger Ailes joined forces to urge Congress to change the way broadcasters charge candidates for time.

Clio-tastrophe at show

By Jon Lafayette

NEW YORK—One of advertising's best-known awards shows turned into a farce late last week, with upset finalists rushing onto the stage to claim statuettes they had no way of knowing if they'd won.

The 31-year-old Clios may find it impossible to recover from a disastrous free-for-all at the print and radio awards presentation June 13.

Late Friday, managers of Lincoln Center said they were canceling tonight's gala TV awards show.

Bill Mealey, Lincoln Center's executive secretary, said he was sending a letter to Clio President Bill Evans stating that the site reservation was canceled because he hadn't received the $50,000 required for rent and expenses.

Also several large agencies said they were reconsidering whether to send representatives to the TV awards, once regarded as one of advertising's most glamorous affairs. Some agencies were trying to find out whether they could stop checks already sent to the Clios.

■ Three awards shows in New York honored advertising last week, including the Effies—Page 50.

Clio Inc. is an independent for-profit organization, but Clio judges are selected from within the ad industry.

The print/radio awards fiasco came after rumors circulated about unpaid bills and the health and welfare of Mr. Evans, and the departure of nearly the entire Clio staff.

Clio generates about $2 million a year through $95 entry fees, $125 and $175 tickets to its shows and $140 charges for extra copies of the Clio statuette for staffers, clients and production houses sharing an award.

The company also makes money from syndicated TV shows featuring what it calls the world's best TV commercials.

Mr. Evans couldn't be reached at press time, but Clio staffer Kit Lebar insisted the event would go on as planned.

Rent for the Manhattan Center

(Continued on Page 47)

LAST MINUTE NEWS

New Y&R post for Pollak

NEW YORK—Tim Pollak, president of Young & Rubicam's flagship office, is expected to get a new worldwide assignment at the agency as early as this week, sources said. It wasn't clear whether Mr. Pollak would keep his current post, which was diminished earlier this month when Y&R New York Chairman John McGarry was promoted to Y&R USA president, while continuing to run the office here.

Decision near on Subaru

CHERRY HILL, N.J.—Subaru of America plans to decide this week on an agency for its $60 million account. Chris Wackman, Subaru VP-marketing, said there won't be a final decision until a compensation package has been negotiated. Finalists are W.B. Doner & Co., Baltimore; Wieden & Kennedy, Portland, Ore.; and incumbent Levine, Huntley, Vick & Beaver; Warwick Baker & Fiore; Jordan, McGrath, Case & Taylor; and DCA Advertising, all New York.

Magazine ad pages fall

NEW YORK—Magazine ad pages last month totaled 13,148.4, down 13.7% from a year earlier, Publishers Information Bureau reported. It's the steepest one-month decline since the industrywide ad drought hit in late 1989. After five months, pages totaled 63,550.6, down 10.9%; ad revenues fell 5.4% to $2.6 billion.

Trouble with TV ratings?

NEW YORK—The Electronic Media Ratings Council is investigating

(Continued on Page 8)

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Cannes: What will win the Lion hunt? **Page 29**

NEWS SUMMARY

■ **A tax on advertising** to fund federal political candidates has been proposed at a U.S. House hearing. 1

■ **Clio awards** ceremonies erupted in confusion last week over delays apparently caused by financial problems. Tonight's planned TV awards dinner was in doubt. 1

■ **"The National,"** the 16-month-old sports daily, ceased publication June 13 after losing more than $100 million. 1

■ **J.C. Penney Co.** moved its estimated $45 million to $60 million ad account to Bozell from N W Ayer. 3

■ **American Express** will offer Membership Miles, a frequent-traveler award program, to cardholders. 3

■ **CBS** has licensed live theatrical re-creations of some of its classic TV series. 3

■ **Hill & Knowlton** is still feeling reverberations from its tenure as PR agency for the Church of Scientology. 4

■ **Anheuser-Busch** has begun a corporate image campaign promoting its environmental efforts. 4

■ **Wells Rich Greene** added BDDP to its name, reflecting Paris-based BDDP Group's 70% stake in the agency. 4

■ **Procter & Gamble** shuffled some top executives following the departure of Exec VP B. Jurgen Hintz. 4

■ **Wally Snyder,** named to become new president of the American Advertising Federation, says government relations will be his major priority. 10

■ **Pepsi-Cola Co.** is testing All Sport isotonic drink in a variety of flavors in two markets. 12

■ **Home video marketers** will back new releases with $85 million during the second half of the year. 16

■ **Lego Systems** says it's grown in a stagnant toy market by relying on package-goods marketing techniques. 17

■ **Cannes** advertising film festival hopefuls are rated by Donald Gunn of Leo Burnett Co. 29

■ **Newspapers** are looking to private mail delivery as a potential new revenue source. 42

■ **Peter Kann,** publisher of *The Wall Street Journal*, urged advertisers to examine media quality, not just numbers. 44

■ **International Olympic Committee** named Grey Advertising as agency for an international ad campaign. 45

■ **Sussex Publishers,** a new company, bought *Psychology Today* and *Mother Earth News* from Owen Lipstein and plans to relaunch them later this year. 45

■ **L.A. Gear** Exec VP Sandy Saemann resigned from the athletic shoe marketer, leading to speculation it may again seek an outside agency. 48

■ **Ocean Spray** has introduced Refreshers juice drink and plans a major rollout next year. 50

■ **A political ad campaign** for Sen. Paul Wellstone won the Grand Effie award from the New York chapter of the American Marketing Association. 50

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ABP MPA

Turner, BK huddle

Fast-food chain may try in-store TV network

By Alison Fahey and Scott Hume

Turner Broadcasting System is negotiating with Burger King Corp. to test an in-store TV network.

The fast-food venture would be Turner's third out-of-home network; six others are in development.

Clearly looking to expand its non-traditional media reach, Turner recently formed Turner Private Networks, devoted to identifying and developing customized video outlets.

"We're looking at a number of locations to capture attractive demographics," said Scott Weiss, exec VP of the unit. He wouldn't comment on whether Turner is close to signing a deal with Burger King.

Burger King spokesman Michael Evans wouldn't confirm or deny talks with Turner about an in-store project, adding that "we are examining a lot of different applications of technology for Burger King."

John Barbera, president of Turner Broadcasting Sales, singled out the fast-food market as a potential target for the company's next place-based TV network in a recent interview with *Advertising Age*. He said then such a network could start testing by yearend.

In the deal, TV monitors could be placed in Burger King dining areas or be positioned for consumers to watch while waiting in lines.

Agency media buyers also say programming could be segmented throughout the day to reach specific audiences.

In late 1987, McDonald's Corp. briefly tested an in-store "Video Theater" entertainment center for children, but the project never moved beyond test.

At least one major franchisee is skeptical of Burger King's commitment to such a program.

"I'd be surprised if Burger King management goes ahead with this," said a multiunit Burger King franchisee who asked not be named. "I can't see it after they've been so embarrassed over this ridiculous commitment to Whittle's 'Channel One.' " The 1989 agreement reportedly committed Burger King to spending $10 million annually for five years on the ad-supported classroom network, he said.

"The Whittle thing is so unpopular, I think franchisees would tar and feather them if they came to us with a project like Turner," the source said.

Besides developing new ventures, Turner Private Networks will oversee the company's existing place-based media ventures, "Checkout Channel" and "Airport Channel."

Of the projects in development, "how many will come off the drawing board I don't know," Mr. Weiss said.

Turner last week named John McMenamin, 37, to the new post of VP-sales, Turner Broadcasting

(Continued on Page 48)

Dial ups spending to $60M

By Bradley Johnson

PHOENIX, Ariz.—Dial Corp. will boost its ad spending by about 50%, to an estimated $60 million, over the next 12 months.

Dial Chairman-CEO John Teets said in an interview with *Advertising Age* that the increased spending will be spread across various Dial soap and detergent products, with most of the money going into TV.

J. Teets

The recession has been "a nonevent" for Dial, he said, noting that its package goods sell equally well in good times and bad.

Mr. Teets said Dial made the midyear revision in media budgets on a brand-by-brand basis rather than a sweeping plan to boost the company's spending.

"Most of [our] top brands are getting increases," he said.

Dial spent $42.3 million on media advertising last year, according to LNA/Arbitron Multi-Media Service.

"It's not just national advertising we're talking about but selective [spot] TV advertising," he said.

In the coming months, Dial will boost spending by 50% to an estimated $18 million for its flagship Dial soap, with most of that earmarked for network TV as well as national cable, he said. The brand last year got $12.8 million in media spending, according to LNA/Arbitron.

Liquid Dial, the top-selling liquid soap, will also get a heavy increase in spending on network, in spot markets and on cable, Mr. Teets said. The company spent $3.7 million on the brand last year.

DDB Needham Worldwide, Chicago, handles the Dial brand.

Spirit, a combination deodorant and moisturizing bar in test in the Midwest, will get more spot and regional cable support this summer when it moves into the West Coast, expanding its coverage to 40% of the nation.

Spirit is handled by Laurence, Charles, Free & Lawson, New York.

Tone, a moisturizing bar soap that's received little support for about six months, will be back this fall with a network effort. Dial last year spent $6.4 million on Tone via Bozell, Dallas.

Dial will also increase spot TV advertising for Purex detergent, which hadn't received any ad support for several years until Dial introduced a new Bozell-created campaign early this year (AA, Feb. 25).

On top of the increase of product advertising, Dial will spend $1.5 million starting in July on a six-month corporate image campaign explaining changes in the company to the financial community.

In recent years, Dial has lopped off many assets from its conglomerate past, including its original Greyhound bus line, culminating in a name change last March from Greyhound Dial Corp. to Dial Corp. But Mr. Teets said some shareholders still haven't figured out their company has been in the soap business for 20 years.

Bozell created the corporate campaign, which will run in business magazines and newspapers. □

Nielsen ready to track toiletry sales

By Scott Hume

Nielsen Marketing Research USA this week unveils Procision, a new scanning-based integrated information service designed for marketers and retailers of health & beauty aids.

The service for the first time integrates information on health & beauty aids sales through major multi-outlet channels—food stores with annual sales of $2 million or more, food/drug combination stores, drugstores and mass merchandisers—with information on media and in-store advertising, and on consumer demographics.

Procision equips Nielsen to better compete with longtime rival Information Resources Inc., which has been collecting sales data from scanner-equipped drugstores since January.

The Nielsen service will have all its data sources hooked up in October, though Nielsen has been delivering data from some mass merchandisers since April and from some drugstores since May.

The total retailer base includes 2,700 food stores, 330 food/drug combination stores, 300 mass merchandisers and 400 drugstores.

IRI's service collects from 350 drugstores with plans to increase to 500 this summer. Also, IRI has exclusive access to the SAMI Drug Outlet Warehouse Withdrawals data base, which provides historical information on category sales over the past decades.

"No one can touch this," Richard Derr, Nielsen VP-product planning, said of Procision. "No one else has this much information from so many sources."

Procision clients can get information on in-store merchandising (aisle displays, shelf signage, etc.) and media advertising support for health & beauty aids brands (compiled by Nielsen Media's MonitorPlus TV advertising tracking service and the NCH Promotional Services unit for free standing insert and coupon data).

Consumer information on product purchasing is integrated into Procision as well, through Nielsen's 15,000-household National Household Panel. □

LETTERS

AIDS group tells mission

Sadly, Sid Bernstein's column, "Who wins in the new AIDS fight?" (AA, May 27), repeated many of the myths and half-truths that have characterized the worst in our society's response to the AIDS epidemic.

Mr. Bernstein decries "single disease exploitation," suggesting that AIDS requires no more special attention than other health issues. We disagree. As epidemic disease was thought to be under control in the U.S. before the AIDS crisis, this new, infectious, life-threatening disease raises specific concerns that must be addressed clearly and directly. Ads Against AIDS was developed to encourage our industry to use its talents and skills to inform and educate the public about this disease, and to raise much-needed funds for community-based organizations that are creating solutions to the medical, social and political crises presented by the epidemic.

Perhaps the most pernicious falsehood repeated by Mr. Bernstein is that "AIDS is still heavily concentrated among the homosexual population and certain entertainment and artistic circles." Mr. Bernstein seems to feel that this disease can be contained in certain limited, disposable populations. Right now, more than a million Americans are infected with HIV, the virus that causes AIDS. This number includes our own professional colleagues, members of our families and our friends. Furthermore, recent statistics indicate that 2% to 3% of teen-agers in some cities may be infected, ensuring that this disease will decimate yet another generation.

All funds raised by Ads Against AIDS will go to People Taking Action Against AIDS, a nonprofit AIDS fund-raising organization which is co-producing the awards presentation event. Since its founding in 1987, PTAAA has donated nearly $1 million to community-based research and education efforts.

The AIDS epidemic affects us all, and we the organizers of Ads Against AIDS are proud to be at the forefront of our industry's informed and compassionate response to this crisis. Mr. Bernstein asks if we believe that advertising can help to end the AIDS epidemic. Yes, by replacing misconceptions with clear and explicit information. Our competition and ads can raise funds and awareness that will improve the lives of people with AIDS and contribute significantly to the fight against this terrible disease. How many other awards shows can promise the same rewards?

Mr. Bernstein asks if we believe that advertising can help to end the AIDS epidemic. Yes, by replacing misconceptions with clear and explicit information.

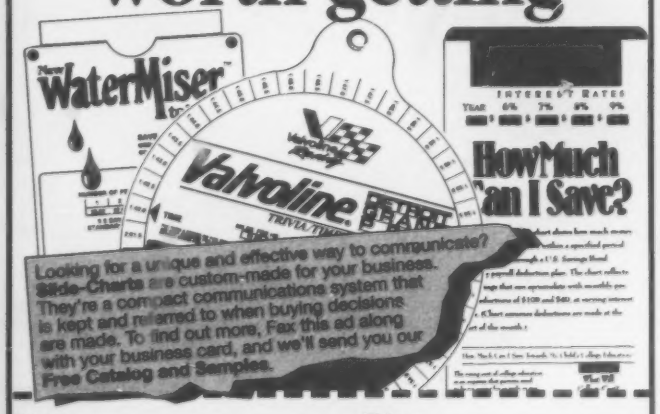
Jack Mariucci, Helayne Spivak, Neil Calet, Bob Starr, Jerry Della Femina, Phil Dusenberry, Phyllis Robinson
Co-chairs of the board
Ads Against AIDS
New York

Editor's note: Similar rebuttals to Mr. Bernstein's column were made in a number of letters received by Advertising Age.

CORRECTIONS & CLARIFICATIONS

■ Forresting Co., Englewood, N.J., was erroneously omitted from the rankings of top research companies (AA, June 3, P. 32). It had 1990 U.S. gross research revenues of $5.4 million; it ranks No. 51 among companies in U.S. research revenues. □

This time give something worth getting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A good Four A's meeting

I was surprised and disappointed to read Jon Lafayette's description of the American Association of Advertising Agencies annual meeting as "the dullest" in recent history (AA, May 20).

As a new Four A's member and first-time attendee, I found the meeting to be interesting, informative, demanding, rewarding and quite challenging. I question the motivation and expectations of any individual finding the vital issues discussed to be less than timely and essential.

If this meeting was dull, previous meetings must have been electrifying!

Charles W. Powers
President, Powers & Associates
Cincinnati

Barkley wrong role model

A news account recently mentioned that Charles Barkley of the Philadelphia 76ers had been mailed a disorderly conduct citation from Milwaukee for tossing a tray of Gatorade on some fans during a playoff game. This followed a well-documented incident in which he spat on a young female fan. And, of course, he has received fines for other on-court antics, including fighting and disrespect for officials.

Barkley, then, is obviously one of the least desirable role models for our youth. Yet Nike has chosen Mr. Barkley to appear in a "Mr. Robinson" commercial which pokes fun at this ill-mannered behavior. While tongue-in-cheek (Barkley is shown with a halo!) the commercial sends absolutely the wrong message; that anti-social, boorish, illegal behavior shall be *rewarded!*

This all began, I suppose, with the John McEnroe spots a couple of years ago which parodied his temper tantrums and disrespect for authority.

Perhaps advertising should not be the arbiter of the national moral stance, yet it has a responsibility to uphold respect and proper values. To condone, reward and wink at Mr. Barkley's attacks on authority, courtesy and respect for the law performs a disservice antithetical to our American sense of right and wrong.

William G. Clotworthy
Westport, Conn.

Double whammy for cable

The phenomenal growth of cable is well-known. It's grown from 23% to 60% household penetration in the past 10 years. The cable industry predicts penetration will hit 65% by 1994, but that estimate now seems overly optimistic in light of recent legislative developments.

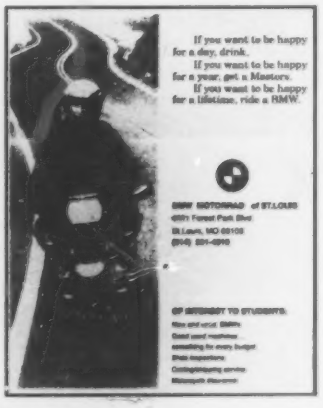
First, Congress held months of hearings on whether to re-regulate cable or, at the very least, allow competition. There's strong evidence that consumers, municipalities and business would benefit by the opening of cable to competition and/or some minor re-regulation. Yet Congress, in its infinite wisdom, decided to let cable systems retain their status as America's only unregulated monopoly. (A cynic might ask how many congressmen own stock in cable systems.)

The second blow came a few weeks ago when the Supreme Court ruled that local governments can tax cable systems without having to do the same to other forms of media as well. You can well imagine the impact this ruling is going to have on every city and town council in the country who are forever looking for new sources of revenue.

One of the major consumer complaints against cable is its uncontrolled cost increases. When a tax is imposed it will certainly be passed on to the subscriber. This is bound to be the last straw for many who will then cancel or cut back their subscription.

The term used by the cable industry is "churn"; you lose some old subscribers and gain some new ones. Up to now this has resulted in a net gain. But unless the existing laws are changed, the outlook for cable is not very good.

Len Kay
Senior VP
Kelly, Scott & Madison
Chicago


If you want to be happy for a day, drink.
If you want to be happy for a year, get a Masters.
If you want to be happy for a lifetime, ride a BMW.
BMW MOTORRAD of ST.LOUIS
(314) 991-4910
GP BRIGHT TO STUDENTS.

Drinking and biking

This is certainly an ad we can do without! It is aimed at prospective students and promotes drinking, degrades higher education and almost seems to link drinking and driving through photo-to-copy placement.

A very irresponsible way to advertise motorcycles.

Pamela Voss
Southern Illinois University
Edwardsville

Holiday Inn drive working

I was sorry to see that Bob Garfield chose to comment on our company's discontinued campaign in his review of advertising in the hotel category (AA, April 15). If he would have referred to *Advertising Age's* Feb. 25 issue, he would have known that our new campaign represents what your magazine calls a "major advertising shift" and focuses on pleasing customers, not knocking the competition.

We feel this customer-driven approach will build loyalty and convince people that nobody understands the traveler like Holiday Inn as, indeed, it already has with occupancy and call volume up substantially since the campaign broke.

Of course, as with all reviews, we'll consider Mr. Garfield's opinions in light of writer Elbert Hubbard's advice: "To escape criticism—do nothing, say nothing, be nothing."

J. Raymond Lewis Jr.
Senior VP-marketing
Holiday Inn Worldwide
Atlanta

A little help from Bob

Bob Garfield, you may remember you did a column on our Marriott advertising a couple of weeks ago (AA, April 15).

Overall, it was a positive review (three stars), though you noted that it wanted for any tangible evidence that Marriott was, in fact, different from its competitors.

Ask and ye shall receive.

Actually, we thought your criticism was valid, and decided to include a reference to specific Marriott services at the end of the commercial.

Herein, a redo of the abovementioned two spots, incorporating your thoughts.

Also enclosed: a small box of stars, as you may want to add one.

Ted Littleford
Executive creative director
FCB/Leber Katz Partners
New York

Research: Do it right

Your article "To buy, or not to buy" (AA, May 13) concerning J.C. Penney's computerized approach to forecasting merchandise sales through consumer surveys reminded me of our similar efforts in the Sears Merchandise Group in the '70s.

Yes, Virginia, you can use survey research to *help* plan retail inventories provided:

1) You take great care in selecting the correct sample population.

2) You show the respondents being interviewed what they will see in the actual buying situation.

3) Your client (the merchant) does not feel threatened by marketing research.

4) The research is integrated with other knowledge rather than simply applied alone as if it were a Band-Aid.

5) You are willing to spend a great deal of money to do the research correctly. People looking for good research that is cheap are the Ponce de Leons of the research world.

Donald A. Hughes
Visiting associate professor/marketing
DePaul University
Chicago

FREEZE FRAME

"We're working on a presidential endorsement!"

Advertising Age welcomes letters to the editor. Address letters to Advertising Age, *Viewpoint Editor, 220 E. 42nd St., New York 10017.*

Will Aussies win the Lion hunt?

An Advertising Age roundup

CANNES 1991

Despite a war and recession taxing creative juices, a healthy crop of innovative TV and cinema spots is ready for the International Advertising Film Festival June 24 to 29, and creatives are already speculating on who will capture Lions.

During a recession "it's not an easy time to persuade clients to do the crazies," said Dave Horry, creative director at Still Price:Lintas in London and one of the two U.K. judges at Cannes this year. "And budgets are down."

Nevertheless, there's plenty of innovation, said Donald Gunn, senior VP-director of creative resources at Leo Burnett Co., Chicago, and regarded as the ad industry's most accurate soothsayer in predicting Cannes winners.

He's betting an ad from Australia—where the recession is much older and deeper than elsewhere—could snag the Grand Prix.

The spot for Natural Gas, via Omon, Sydney, starts with Nero condemning a Christian to the lion's den. After a nervous walk down a dank corridor, the Christian finds himself in a cozy lion home. Daddy Lion lounges comfortably, with Mama Lion cooking dinner on a gas stove and Baby Lion resting in a bubble bath.

"It's perfect in so many ways," Mr. Gunn said. "It's so unexpected."

From the U.S., he sees Nike's "Bo's Family Reunion" ad, from Wieden & Kennedy, Portland, Ore.; Du Pont Co.'s Stainmaster carpet's "Jontoo" and "Food Fight" spots by BBDO Worldwide, New York; and Hallmark Cards' "100th Birthday" ad by Burnett as Grand Prix contenders.

"Common sense says that the USA might win," Mr. Gunn said. "There is some great work being entered, and there are two pretty forceful judges." The U.S. last won the Grand Prix in 1986.

Nero condemns the Christian to the lion's den. . . .

. . . filled with fear, the Christian heads down the dark corridor. . . .

. . . but surprisingly, he finds a very civil lion family. . . .

. . . which enjoys all the comforts from natural gas. The slogan appears: "You'll feel more human with natural gas."

Mr. Gunn, along with U.S. judge Bob Kuperman, president-ceo of Chiat/Day/Mojo, Venice, Calif., said Eveready Battery Co.'s Energizer bunny advertising from Chiat will win at least a Gold Lion this year. Last year's biggest controversy concerned an Energizer spot, with accusations that it too closely resembled a spot for Bass' Carling Black Label from WCRS, London.

"It really should have won something last year," Mr. Gunn said.

Mr. Gunn predicted two French Source Perrier spots from Ogilvy & Mather France, Paris—one showing an aging John McEnroe and another featuring a woman who roars back to a lion—will be among those finalists considered for the top prize.

U.K. creative directors surveyed expect good things for Collett Dickenson Pearce's Gallaher's Ltd. Hamlet cigars spots, perennial Gold Lion winners.

In this year's best Hamlet spot from the London shop, a soccer player gets a free kick and the ball rebounds, hitting him in the groin. As he's carried off the field on a stretcher, he enjoys a Hamlet cigar.

Two Reebok International spots by Lowe Howard-Spink in London were also singled out by creative directors.

In one, a construction worker in Reeboks runs and jumps along a skyscraper's girders.

The other spot features Reeboks and a white line that keeps changing from one sports setting to another, becoming in turn a high jumper's bar, the top of a net at a tennis court and finally the tape at the end of a foot race.

From Spain, two eyebrow-raising spots could catch the judges' attention.

The "Spermatozoids" entry from Tandem/DDB Needham, Barcelona, for Volkswagen's Golf GTI features a microscope's view of sperm swimming up to an ovum which, after being fertilized, turns into a round white ball bearing the inscription "Golf GTI." A voice-over says: "Ever since you were young, you liked to arrive first. Now you know why you enjoy driving Golf GTI from Volkswagen."

"Common sense says that the USA might win. There is some great work being entered, and there are two pretty forceful judges."

A spot from Contrapunto, Madrid, for the Spanish Health Ministry shows a principal asking high school students who owns a package of condoms found at the school. Eventually, every student is standing.

From Australia, a controversial

(Continued on Page 30)

Lion winners

Country	1986	1987	1988	1989	1990
U.K.	9	10	8*	12	6*
U.S.	8*	7	11	9	5
Japan	2	4*	2	5	2
France	3	2	1	7	1
Brazil	1	3	2	4	2

*Winner of Grand Prix. Source: Screenvision/Cannes International Advertising Film Festival

Cannes judging vets: New rules fall short

By Julie Skur Hill and Laurel Wentz

As some 6,000 delegates prepare for the industry's most prestigious international creative awards, former U.K. and U.S. jury members are already debating whether rules for judging instituted this year have gone far enough.

These former judges of the International Advertising Film Festival at Cannes say that despite the changes to encourage fairer balloting, the perennial accusation of vote trading hasn't been addressed.

The honor of being nominated as one of the 23 judges from one of the 15 countries participating often carries a heavy burden. Failing to bring home more Lions than the previous year can mean humiliation and disgrace, so judges may go to great lengths to persuade colleagues to vote for their countries' entries.

On the other hand, some nationalities, such as the Japanese, are so humble they consider voting for their own commercials bad manners. For them, trading votes with other judges is unthinkable.

The voting changes include eliminating the highest and lowest scores for each ad and dividing the judges into three groups, each seeing one-third of the entries, instead of two groups, each viewing half.

The balloting change was made to eliminate the extremes and control favoritism, said Anne-Marie Marcus, senior VP at Screenvision Cinema Network, the festival's U.S. sponsor.

"During the [first round of] voting, people loaded up on their favorites, hitting 10 for what they wanted to win and gave everything else a zero," said Marcio Moreira, vice chairman at New York-based McCann-Erickson Worldwide and jury president in 1989.

It wasn't difficult to detect certain judges giving top marks to commercials that weren't very good, said Tim Mellors, creative director at Publicis, London, and president of the 1990 jury.

"I just had a word with them and said there's more of us [voting fairly] than there are of you and that we could start doing it, too," he said.

Mr. Moreira said as president he also kept his jury in line by pointing out certain voting patterns to members.

"One country on the face of it had three Lions. After the next day's voting, however, they had something like 12," he said. "The problem is that if the delegate doesn't come home with enough Lions, his reputation is at stake in the country."

Screenvision's Ms. Marcus said the jury president has the authority to make reprimands, and if voting abuse is blatant, the president can lodge a complaint with festival organizers. However, there are no set regulations of how the festival authorities would handle such a situation, she added. As far as anyone can recall, no one has ever lodged a formal complaint.

"One country on the face of it had three Lions. After the next day's voting, however, they had something like 12."

"These are not schoolboys. I don't think it would be appropriate for us to start the festival by saying whoever is caught cheating will be thrown out," she said.

Although Rick Fizdale, president-chief creative officer at Leo Burnett Co., Chicago, wasn't approached directly about exchanging votes last year when he was a judge, he had the impression that he was handed such an opportunity.

"Someone kept coming up to me and kept saying how much they liked an ad from the Leo Burnett Co. I said fine, if you like it, vote for it," Mr. Fizdale said. "I think I was being tested to cut a deal, but I'll never know because I let it drop."

There are some, however, who see vote trading as a normal part of any contest. People always form voting blocs, said Andrew Cracknell, vice chairman and creative director at BSB Dorland, London, and a U.K. judge at Cannes in 1989.

While Cannes judges are often accused of teaming up with neighboring nations or countries with similar native languages, Mr. Cracknell said at other festivals it's clients against agencies, or agencies against other agencies.

The most important change, Ms. Marcus said, is the division of judges into the three groups in the initial round.

Mr. Moreira disagrees. For an overview of the entries, "I think it should go back to the old days when the jury looked at everything and came in early," he said.

The 27 product or service categories will be split into three, with each jury evaluating nine complete ones. Previously, reels were arranged by the order the entries arrived, regardless of country or category.

Judges have complained about the grueling job of evaluating so many ads. Mr. Fizdale has urged that judges get a break. "You need time off," he said. "You do get a little weary as you get into the final day." □

As "I Put a Spell on You" plays in the background, a woman climbs a mountain to enter into a shouting match with a lion. . . .

. . . who retreats. The woman treats herself to Perrier, earth's first soft drink.

Shops hunt Lions

(Continued from Page 29)

TV campaign that changed community attitudes toward driving, drinking and speeding, via Grey Advertising in Melbourne, is one of the country's strong contenders for gold at Cannes.

Each 60-second commercial for the National Road Safety Council was shot around actors mixing with real emergency workers at highly realistic yet simulated auto accidents. The resulting footage, cut from several hours of film, is stark and graphic.

Swamping the New Zealand entries is Saatchi & Saatchi Advertising. The Auckland office has submitted nine and the Wellington office eight. Ayer New Zealand is next with four entries.

Given a strong chance for a medal, say local creatives, is an Ayer, Auckland, spot for Presbyterian Support Services that lingers on the faces of elderly and needy people.

An entry from Saatchi's Wellington office, featuring wild animals moving to music for Telecom New Zealand, is also considered a front-runner. The spot was named "best loved" campaign judged by public voting.

Brazilian jurors agree W/Brasil's spot for Schering-Plough Corp.'s Coppertone suntan lotion will be a winner. The spot shows frenetically moving naked back sides of beachgoers of all shapes, sizes and sexes as a voice-over announces the types of swimsuits that kept some of the body parts white.

From Germany, one hot spot is for 3M's Scotch Magic tape, from Grey, Duesseldorf. A torn photograph of a girl is magically restored by a man with very large ears with the help of the tape. After he sees what a great job it does on the picture, he tapes his ears back.

South African creatives are hopeful that "Backyard TV," a spot for the South African Broadcasting Corp. via Hunt Lascaris, Sandton, can capture a Lion. The spot uses a traditional black "township" back yard to sell the advantages of radio as an advertising medium. □

Written by Julie Skur Hill from bureau reports.

VW chief honored

CANNES—Daniel Goeudevert 49, chairman of Volkswagen's brand management board, has been selected as the first Advertiser of the Year by the organizers of the International Advertising Film Festival. The award will be presented at the festival, June 24 to 29.

The Volkswagen executive was picked because of his professional achievements and Volkswagen's success in establishing an easily recognizable brand backed by key values such as quality and reliability. Volkswagen has been a loyal client of DDB Needham Worldwide for more than 30 years in the U.S. and Germany, and more than 20 years in France.

Mr. Goeudevert started as a salesman at Citroen in 1965, then moved to Renault and Ford Motor Co. before joining the board of Volkswagen in 1989. He took his current post at the end of 1990. □

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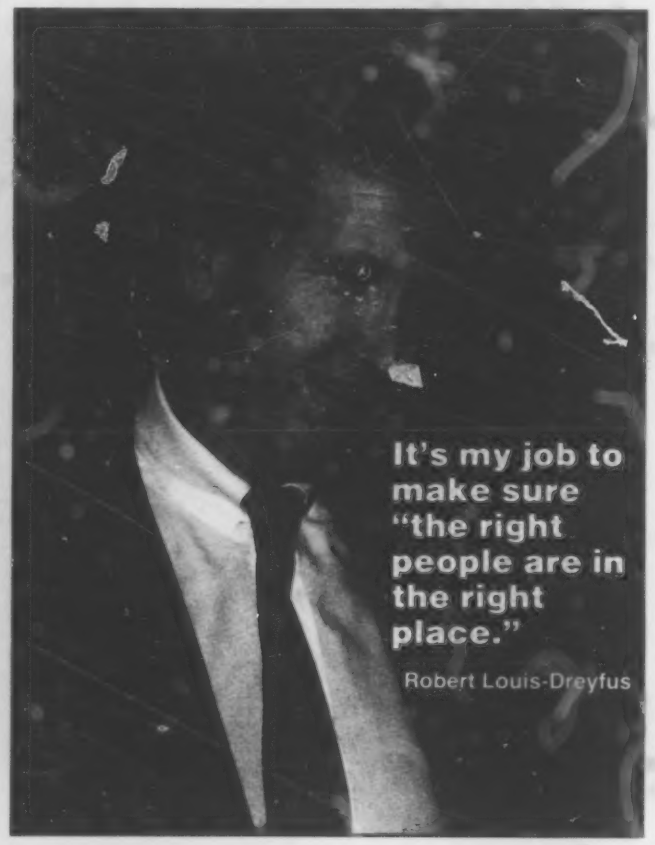
Louis-Dreyfus making his moves at Backer



Doug Goodman

By Jon Lafayette and Laurel Wentz

Saatchi & Saatchi Co. Chief Executive Robert Louis-Dreyfus is taking a stronger hand in the management of troubled Backer Spielvogel Bates Worldwide.

In exclusive interviews with *Advertising Age*, Mr. Louis-Dreyfus said part of his job is to ensure that "the right people are in the right place," and that it was clear he had to step in when Backer began hemorrhaging during the past year.

Mr. Louis-Dreyfus' increased role in the day-to-day affairs of Backer is significant because, until now, those duties had been the closely guarded and exclusive province of agency CEO Carl Spielvogel.

Since he was hired as chief executive in 1990, Mr. Louis-Dreyfus has concentrated primarily on the financial restructuring of Saatchi while maintaining a hands-off policy toward the management of the holding company's agency units.

"I really believe in decentralization, except for financial control," he said. "If people are successful, don't bother them. Don't second-guess them."

Mr. Spielvogel recently signed a new contract with Saatchi that

(Continued on Page 59)

Lintas wins Kodak prize

$100M in TV buys consolidated

By Alison Fahey

Eastman Kodak Co. and its Sterling Drug subsidiary have consolidated $100 million-plus in TV media buying assignments at Lintas:USA.

The Kodak/Sterling decision consolidated media buying for all major brands and most leading dayparts, effective last week. The move is the latest example of marketers looking to gain clout in the marketplace through consolidation.

The move strips J. Walter Thompson USA, New York, of all broadcast buying responsibilities for Kodak and Sterling, including Sterling's L&F Products and Glenbrook Laboratories divisions.

JWT had handled all network prime-time buys for Kodak brands, including film and cameras, and such Sterling products as Bayer aspirin.

Ironically, Lintas doesn't have any creative assignments for Kodak brands and, in April, resigned the $25 million Bayer aspirin account citing "strategic differences" with Sterling.

The resignation didn't include media buying responsibilities for the brand for certain dayparts, which sources said remained at the agency.

Lintas:New York currently handles daytime network and syndication buying for Kodak and Sterling as well as cable TV through its sister agency Lintas:Campbell-Ewald, Warren, Mich. As part of the consolidation, Lintas will also be handling Olympics buys.

JWT also bought sports, specials and late-night programming for Kodak brands. It will continue to handle media planning and print buying as well as the creative assignment for Kodak film, including Photo CD, a system being introduced in '92.

Sources say JWT will lose an estimated $50 million, at least, in media buying responsibilities; the remainder has been at Lintas.

Roger Morrison, Kodak's director of media and programs, declined to comment on the exact size of the account but cited several reasons for the consolidation.

"By placing all our broadcast media buying through one agency, we feel we can get better strategic focus on our overall broadcast buys and gain an advantage in terms of our ability to leverage our business," Mr. Morrison said.

"And it goes beyond keeping [costs per thousand] down, although that's a critical issue

(Continued on Page 59)

Slumping Pepperidge Farm turns up the heat on O&M

By Judann Dagnoli

Serious sales declines at Pepperidge Farm are straining the relationship between the Campbell Soup Co. subsidiary and agency Ogilvy & Mather.

While a review isn't considered imminent, sources familiar with the situation say profit-hungry Campbell slashed Pepperidge Farm's ad budget 55.5% to $8 million for the year ending July 31.

As a result, O&M is being forced "to take a bath" on the account, one source said.

That's prompted talks between the agency and client on a new compensation setup that could involve a fee payment system in lieu of Pepperidge Farm's traditional percentage-based compensation rate.

An O&M spokeswoman said the New York-based agency doesn't comment on client contracts. Pepperidge Farm President Dick Shea didn't return phone calls.

Will Pepperidge Farm's Old Timer be retired?

One company insider said, "Dick isn't pleased [with O&M]. He's pushing them to do better advertising. There is a strain there."

Exacerbating tensions is the loss of Pepperidge Farm VP-Marketing and General Manager David Albright, who last month became president of Campbell unit Godiva Chocolatier. No successor has been named.

The search for better advertising is leading the company to rethink its "Pepperidge Farm remembers" campaign, originally created by master adman David Ogilvy in 1956. For the past 14 years, the commercials have featured the folksy Old Timer currently played by actor Charlie Welch.

Pepperidge Farm clearly remembers better times.

Usually a star performer in the Campbell lineup, the $582 million unit suffered an 8% decline in volume while sales were down 1% to $12.8 million in the quarter ended April 28, said Donaldson Lufkin & Jenrette analyst William Leach.

Analysts say the recession is

(Continued on Page 60)

LAST MINUTE NEWS

Bowen out? O&M feels heat on AmEx

NEW YORK—McCann-Erickson Worldwide announced on Friday that Gordon Bowen, a key Ogilvy & Mather executive on the American Express account, was joining McCann. Mr. Bowen, 40, was slated to become worldwide chief creative officer for the Coca-Cola account, a new post, and exec VP-chief creative officer of the office here *(see story on Page 4)*. Mr. Bowen said, at first, he was "looking forward to a new challenge" at McCann, but minutes later told the agency he was having "second thoughts," according to McCann. His possible departure as

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■ **Pepperidge Farm's** sales slump is straining the relationship between the company and its agency, Ogilvy & Mather. .. 1

■ **Clio awards** owner Bill Evans blamed his staff for this year's presentation fiasco. 3

■ **Colt 45 Power Master,** Heileman's new malt liquor, drew criticism from consumer groups and the government. 3

■ **BMW** will try to shed its yuppie image with a new ad campaign stressing safety and value. 3

■ **Insect repellent sales** are booming this summer, in part due to fear of tick-borne Lyme disease. 3

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■ **Sean Fitzpatrick** was named to coordinate the General Motors account worldwide at McCann-Erickson. 4

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■ **Ford Motor Co.** will introduce its own credit card, and General Motors is said to be planning to do the same. 6

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ABP MPA ABC

P&G keeps cooking with new food entries

By Jennifer Lawrence

Procter & Gamble Co. will remain an aggressive player in the food and beverage business, even as it conducts a strategic review of that $3.3 billion division.

The real unknown is whether increased marketing activity is aimed at boosting value in preparation for the sale of some or all brands or whether P&G is in it to stay.

Following the surprise departure of Exec VP B. Jurgen Hintz this month, speculation was rampant that P&G would get out of food and beverages, but Chairman-CEO Edwin L. Artzt said the company remains committed to and active in the categories.

Major marketing changes are now under way for Crisco and Puritan oils, with a healthier version of Crisco testing in the Midwest and plans afoot to boost Puritan, a 100% canola oil product, by adding the Crisco logo.

Other initiatives include a new product from Duncan Hines, baking mixes called Pantastics.

Duncan Hines' new Pantastic cakes are P&G's latest entry in the food market.

The line extension is a complete kit to make a decorated cake in special shapes. Five varieties—Garfield, Miss Piggy, Kermit the Frog, a baseball diamond and a football field—will start testing in the Southeast in July.

Even troubled Citrus Hill orange juice hasn't been sitting still. P&G is just completing a test of a not-from-concentrate juice positioned as a seasonal product in five southeastern states.

That product marks P&G's first entry into the growing not-from-concentrate orange juice market dominated by Tropicana Products and Coca-Cola Foods' Minute Maid.

Mr. Artzt has identified Crisco and Duncan Hines as brands that haven't performed well in recent years, while he's characterized Citrus Hill as "the challenge we face in the beverage business."

Because P&G doesn't have the food equivalent of a Tide detergent in its brand lineup, industry analysts believe its food and beverage sector is a questionable strategic fit. Even a recent letter to employees from Mr. Artzt did little to dampen analysts' opinion that parts would be sold.

The letter was made public after *The Wall Street Journal* reported P&G was considering selling parts of the food and beverage

(Continued on Page 58)

Promise cheese in works

By Judann Dagnoli and Julie Liesse

Unilever's Van den Bergh Foods is developing a line of low-fat, low-cholesterol cheeses under its Promise brand name.

It isn't known how close Van den Bergh is to introducing Promise cheese, but sources confirmed preliminary plans are under way.

The line, tentatively dubbed Promise Reduced Fat Cheeses, would be the marketer's second stab at bringing a well-known margarine brand to the $3.7 billion cheese market now dominated by Kraft USA.

In 1989, Van den Bergh began limited distribution of a line of spreadable cheeses under its Shedd's Country Crock brand, but it never reached national distribution.

Promise, long supported with the "Get heart smart" theme in advertising from McCann-Erickson Worldwide, New York, is the sixth-largest seller in the $1.4 billion margarine category, with a 7.6% share.

Promise cheese would tap into the increasingly popular "light" cheese market, which Information Resources Inc.'s InfoScan service measured at $200 million in 1990.

Established products include Dorman's Light from Dorman-Roth Foods and First World Cheese's Alpine Lace. But Promise's most direct competitor would be Kraft's Light Naturals line of reduced-fat, reduced-calorie chunk cheeses. Light Naturals has about a 3.5% share of the natural chunk cheese segment.

Kraft last week began a national rollout of Kraft Free Singles, a fat-free version of its American pasteurized process cheese slices. Kraft Free Singles has 45 calories, half the calories of regular Kraft Singles. Kraft will continue marketing both regular and light Kraft Singles in addition to the new product.

TV and print advertising will support, via J. Walter Thompson USA, Chicago.

Kraft has about 30% of the combined chunk and shredded natural cheese segment, and 49% of the American cheese segment, industry sources say. □

Time Inc. revamps sales

By Scott Donaton

NEW YORK—Time Inc. Magazine Co. will announce today a fundamental restructuring of its ad sales force, sparked as reported earlier by the success of its corporate sales efforts.

Under the new structure, sales reps for the Time Warner unit's individual magazines will report to one of four corporate regional sales managers rather than each title's ad director.

The restructuring affects a staff of more than 300, believed to be the nation's largest media sales force.

"Behind it is the desire to do two things: On the one hand, we're trying to retain the focus of the selling activity as essentially a title-by-title, brand-selling activity," said a source familiar with the changes. "On the other hand, we want to create an availability to manage that activity for the benefit of the company as a whole when it's appropriate to do that."

Time Inc. today promotes four senior sales executives to the new title of regional VP-sales.

Steven Seabolt, 39, now ad sales director of *Time*, will be based in Los Angeles; Jack Haire, 39, now ad sales director, *Entertainment Weekly*, will relocate to Chicago; Jim Graham, 40, now national ad sales manager, *Fortune*, will be based in Detroit; and John Jay, 49, ad sales director of *Fortune*, remains in New York.

Time Inc. Magazine Co. is "really elevating the job function of advertising sales in this company, giving it some teeth."

Also, David Long, 45, now ad sales director of *People*, will be named to the new post of VP-marketing for the company. He will work with parent company VP-Sales Richard Heinemann, 52, to whom the regional sales executives will report.

"We're putting the best people that we have hands-on in the marketplace," the source said. "We're giving our best advertising management personnel a common agenda, which we've never done before, and reallly elevating the job function of advertising sales in this company, giving it some teeth."

Successors haven't been named for the executives, but the key slots aren't likely to be left vacant for long.

Sources say that as a result of Mr. Seabolt's departure, flagship *Time* soon will fillll the publisher's slot vacated lasst February by Louis A. "Chip" Weil III. The new publisher is expected to come from within; Robert L. Miller, exec VP, group president and

(Continued on Page 58)

MORNING REPORT:

Coffee sees rise in ground as instant sales keep falling

By John C. Maxwell Jr.

Coffee sales held steady last year.

As more premium coffees came on the market, a slight increase in ground roast sales offset the continued decline in instant coffee.

In dollar sales, the market remains at about $3.9 billion, excluding specialty shops, an estimated $1 billion business.

Philip Morris Cos.' General Foods USA narrowly holds first place in the ground roast segment with a 33% share, vs. Procter & Gamble Co.'s Folgers at 32.7%.

Nestle increased its share to 16% last year, and Chock Full O' Nuts Corp. is fourth with 3.4%.

In instant coffees, General Foods continues to be No. 1 with an estimated 36.3% of the market, just ahead of Nestle at 33.3%. Folgers is a strong third at 24.7%

Although the industry's volume and dollar growth were flat in 1990, conditions were favorable due to the continuation of the free market for coffee, rather than a quota system.

This increased the availability of higher-quality arabica beans at lower prices, which in turn contributed to the trend toward new or improved products. That also enhanced gross margins, which allowed more marketing support for coffee brands.

Ad spending for the first nine months of 1990 increased 35% from the same period a year earlier, according to media measuring services and our estimates.

These two trends—increased marketing support and higher-quality specialty coffees—helped stabilize volume and per capita consumption.

The National Coffee Association reports the number of cups per person per day was practically flat, going to 1.73 cups in 1990 from 1.75 cups in 1989.

The percentage of the population that reported drinking coffee was stable—52.4% vs. 52.5% in 1989. □

Mr. Maxwell is an analyst with Wheat, First Securities, Richmond, Va.

Coffee market shares

Regular coffee	1988	1989	1990*
GENERAL FOODS			
Maxwell House Regular	16.7%	16.0%	16.3%
Decaf	2.0	2.0	2.0
Private Collection	0.3	0.3	0.5
Subtotal	19.0	18.3	18.8
Master Blend	8.0	8.2	8.6
Sanka	2.0	1.9	1.8
Yuban Regular	2.2	2.1	2.2
Decaf	0.3	0.3	0.3
Subtotal	2.5	2.4	2.5
Brim (includes Max-Pax)	1.5	1.3	1.3
Total	**33.0**	**32.1**	**33.0**
PROCTER & GAMBLE			
Folgers Regular	22.8	23.0	22.7
Decaf	4.0	4.2	4.0
Special Roast	5.0	5.0	4.9
Maryland Club**	—	—	0.4
Butternut**	—	—	0.7
Total	**31.8**	**32.2**	**32.7**
NESTLE			
Hills Brothers	7.7	7.8	8.9
MJB	3.3	3.4	3.6
Chase & Sanborn	1.8	2.0	3.2
Taster's Choice	0.2	0.3	0.3
Total	**13.0**	**13.5**	**16.0**
CHOCK FULL O'NUTS	3.4	3.4	3.4
WINTERPARK INVESTMENT GROUP**			
Maryland Club	0.7	0.5	—
Butternut	0.9	0.8	—
Total	**1.6**	**1.3**	**—**
ALL OTHERS	17.2	17.5	14.9
GRAND TOTAL	**100.0%**	**100.0%**	**100.0%**

Instant coffee	1988	1989	1990*
GENERAL FOODS			
Maxwell House Regular	20.5%	20.0%	19.8%
Decaf	2.0	1.8	1.7
Subtotal	22.5	21.8	21.5
Maxim	1.4	1.3	1.2
Sanka	8.3	8.3	8.3
Freeze Dried Sanka	0.6	0.6	0.6
Yuban	0.7	0.8	0.8
Brim	1.1	0.9	0.8
International Coffees	3.0	3.0	3.1
Total	**37.6**	**36.7**	**36.3**
NESTLE			
Nescafe Regular	7.4	7.3	7.1
Decaf	2.8	2.7	2.6
Taster's Choice Regular	11.3	11.6	11.4
Decaf	5.9	5.7	5.6
Sunrise	0.6	0.8	0.8
Hills Brothers	2.4	2.5	2.6
MJB	1.5	1.6	1.6
Chase & Sanborn	1.0	1.4	1.6
Total	**33.1**	**33.6**	**33.3**
PROCTER & GAMBLE			
Folgers Regular	17.0	17.5	17.8
Decaf	5.2	5.6	5.9
High Point	0.9	0.8	1.0
Total	**23.1**	**23.9**	**24.7**
BORDEN			
Kava	0.4	0.3	0.3
ALL OTHERS	5.8	5.5	5.4
GRAND TOTAL	**100.0%**	**100.0%**	**100.0%**

*1990 figures are estimates. **Procter & Gamble acquired Maryland Club and Butternut from Winterpark Investment Group in October 1989.
Source: John C. Maxwell Jr.

Cold cereals feel the chill as oat bran boom fades

By John C. Maxwell Jr.

Cold cereals felt a shiver in 1990.

Though dollar sales in the industry rose 6% to about $2.7 billion from 1989, volume was up just 0.4% to 2.61 billion pounds.

The poor showing related to the peaking of interest in oat products and the lack of interesting new products.

Kellogg Co.'s dollar share dropped 2.4 points to 37.2%. The company has gained much of that back in recent months while managing to stabilize older brands such as Corn Flakes, Frosted Flakes and Rice Krispies.

General Mills gained 1.5 points in dollar share to 28%. That surge was led by some of its children's cereals as well as newer products, including Oatmeal Raisin Crisp and Apple Cinnamon Cheerios.

General Foods USA's Post division was up 0.7 share points to 10.7%, having turned around some older brands such as Grape-Nuts, Pebbles and Alpha-Bits, as well as adding Honey Bunches of Oats.

Ralston Purina Co. gained 0.1 points to 6.7%, though it experienced some decline in licensed products and saw the demise of a new product, Bran News.

Nabisco Brands continued to lose share, falling 0.3 points to 4.2%. Most of its products from Shredded Wheat on down declined slightly.

Gains from the new Teddy Grahams cereal partially offset other losses.

During the three-month period that concluded at the end of February, Kellogg picked up about 1.5 share points with aggressive marketing.

General Mills and Post also saw share growth, but Nabisco and Ralston were off a share point or more. □

Top 10 cereals

Brand	1989 Lbs.	1989 $	1990 Lbs.	1990 $
Corn Flakes (Kellogg)	5.4%	3.4%	5.3%	3.3%
Frosted Flakes (Kellogg)	5.1	4.6	5.0	4.3
Cheerios (General Mills)	4.7	4.8	4.6	4.9
Raisin Bran (Kellogg)	3.7	3.1	3.4	2.9
Rice Krispies (Kellogg)	3.1	3.2	3.2	3.1
Chex (Ralston Purina)	2.9	2.9	3.2	3.2
Honey Nut Cheerios (General Mills)	3.1	3.4	3.1	3.5
Cap'n Crunch (Quaker Oats)	2.9	2.7	3.1	2.9
Shredded Wheat (Nabisco)	2.8	2.6	2.7	2.5
Bran products (Kellogg)	2.6	2.3	2.6	2.3
TOTAL	**36.9%**	**33.0%**	**36.2%**	**32.9%**

Source: John C. Maxwell Jr.

Cold cereal market shares

	1989 Lbs.	1989 $	1990 Lbs.	1990 $
KELLOGG				
Corn Flakes	5.4%	3.4%	5.3%	3.3%
Frosted Flakes	5.1	4.6	5.0	4.3
Raisin Bran	3.7	3.1	3.4	2.9
Rice Krispies	3.1	3.2	3.2	3.1
Bran products	2.6	2.3	2.6	2.3
Frosted Mini-Wheats	2.1	2.2	2.3	2.3
Froot Loops	1.9	2.3	1.8	2.2
Special K	1.3	1.7	1.3	1.6
Cracklin' Oat Bran	1.6	1.9	1.2	1.5
Apple Jacks	1.0	1.3	1.0	1.3
Corn Pops	0.9	1.1	1.0	1.4
Nutri-Grain	1.2	1.3	0.9	0.9
Crispix	0.8	1.0	0.9	1.1
Nut & Honey	0.7	0.7	0.8	0.9
Mueslix	0.9	1.0	0.7	0.9
Honey Smacks	0.7	0.8	0.7	0.7
Just Right	0.3	0.3	0.7	0.9
Common Sense Oat Bran	1.6	1.9	0.6	0.7
Shredded Wheat Squares	0.8	0.9	0.6	0.6
Product 19	0.7	0.8	0.6	0.7
Oatbake	0.1	0.2	0.6	0.8
Cocoa Krispies	0.5	0.6	0.5	0.6
Kenmei Rice Bran	—	—	0.5	0.5
Bigg Mixx	—	—	0.3	0.3
Heartwise	0.1	0.1	0.2	0.3
S.W. Graham	0.4	0.4	—	—
Apple Raisin Crisp	0.2	0.3	—	—
Fruity Marshmallow Krispies	0.2	0.2	—	—
Others	1.1	2.0	0.8	1.1
Total	**39.0**	**39.6**	**37.5**	**37.2**
GENERAL MILLS				
Cheerios	4.7	4.8	4.6	4.9
Honey Nut Cheerios	3.1	3.4	3.1	3.5
Total	2.1	2.6	2.0	2.6
Lucky Charms	1.7	2.0	1.7	2.0
Wheaties	1.6	1.3	1.7	1.5
Oatmeal Raisin Crisp	1.1	1.1	1.4	1.4
Apple Cinnamon Cheerios	1.2	1.5	1.2	1.5
Raisin Nut Bran	1.2	1.2	1.2	1.2
Trix	1.1	1.4	1.1	1.5
Golden Grahams	1.0	1.1	1.1	1.3
Cinnamon Toast Crunch	0.8	0.9	1.0	1.3
Kix	0.8	1.0	1.0	1.3
Total Raisin Bran	0.8	1.1	0.8	0.9
Clusters	0.6	0.7	0.7	0.9
Cocoa Puffs	0.6	0.8	0.6	0.8
Crispy Wheats 'n Raisins	0.5	0.6	0.5	0.5
Monster cereals	0.4	0.5	0.3	0.4
Fiber One	0.3	0.4	0.3	0.3
Others	0.1	0.1	0.1	0.2
Total	**23.7**	**26.5**	**24.4**	**28.0**

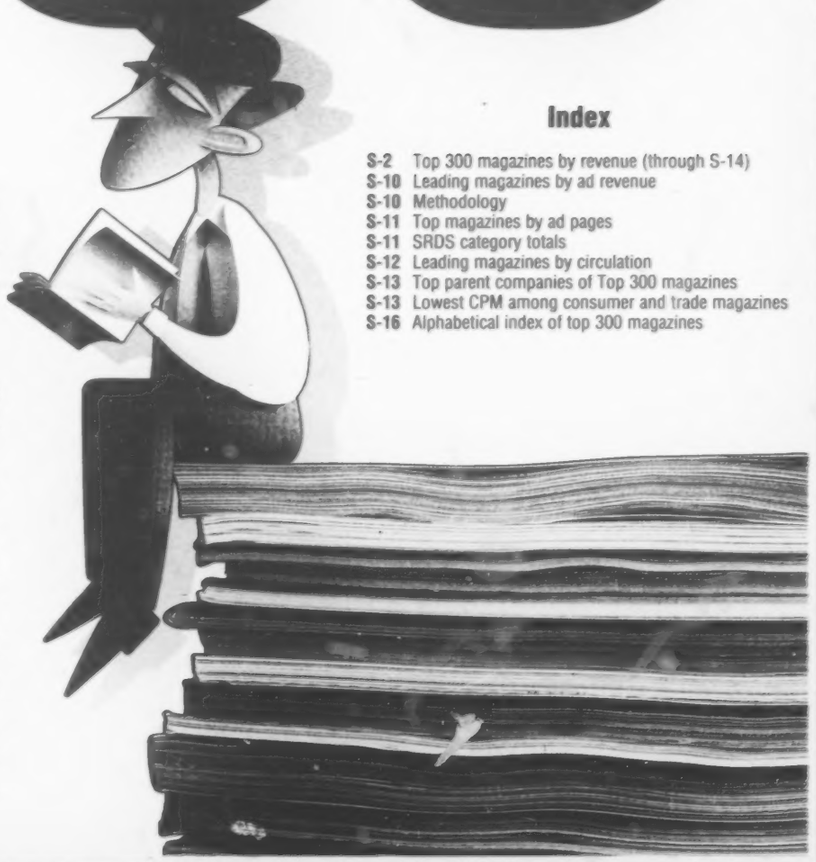
Source: John C. Maxwell Jr.

	1989 Lbs.	1989 $	1990 Lbs.	1990 $
GENERAL FOODS				
Grape-Nuts	2.1%	1.5%	2.5%	2.0%
Pebbles	1.3	1.5	1.6	2.0
Raisin Bran	1.7	1.5	1.5	1.3
Honey Bunches of Oats	0.8	0.9	1.0	1.0
Super Golden Crisps	0.8	0.8	0.8	0.8
Honeycombs	0.7	0.8	0.8	0.9
Alpha-Bits	0.5	0.4	0.8	0.9
Post Fruit & Fiber	0.7	0.6	0.7	0.7
40% Bran Flakes	0.7	0.5	0.5	0.4
Post Toasties	0.5	0.2	0.5	0.2
Oat Flakes	0.5	0.6	0.3	0.3
Others	0.3	0.7	0.1	0.2
Total	**10.6**	**10.0**	**11.1**	**10.7**
QUAKER OATS				
Cap'n Crunch	2.9	2.7	3.1	2.9
Life	1.2	1.1	1.3	1.2
100% Natural	1.0	1.0	1.0	0.9
Quaker Oat Squares	1.0	1.0	0.9	0.8
Oh's	0.9	1.1	0.5	0.6
Crunchy Bran	0.3	0.2	0.3	0.3
Quaker Oat Bran	0.3	0.2	0.2	0.3
Others	0.5	0.6	0.5	0.3
Total	**8.1**	**7.9**	**7.8**	**7.3**
RALSTON PURINA				
Chex	2.9	2.9	3.2	3.2
Almond Delight	0.5	0.5	0.5	0.6
Muesli	0.5	0.5	0.5	0.7
Cookie-Crisp	0.3	0.4	0.4	0.5
Bran News	0.2	0.1	—	—
Others	0.2	0.2	0.2	0.2
Ralston's licensed products				
Teenage Mutant Ninja Turtles	0.4	0.5	0.6	0.6
Batman	0.1	0.2	0.3	0.4
Nintendo	0.4	0.5	0.3	0.3
Barbie	0.1	0.2	0.1	0.2
Ghostbusters	0.2	0.3	—	—
Morning Funnies	0.2	0.2	—	—
Dinersaurs	0.1	0.1	—	—
Subtotal	1.5	2.0	1.2	1.5
Total	**6.1**	**6.6**	**6.1**	**6.7**
NABISCO				
Shredded Wheat	2.8	2.6	2.7	2.5
Fruit Wheats	0.6	0.6	0.4	0.4
Frosted Wheat Squares	0.6	0.6	0.4	0.4
100% Bran	0.5	0.4	0.4	0.3
Breakfast Bears	—	—	0.3	0.3
Others	0.2	0.3	0.2	0.3
Total	**4.7**	**4.5**	**4.4**	**4.2**
ALL OTHERS	7.8	4.9	8.7	5.9
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**

300

AD AGE

Ranks the nation's largest magazines



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Top books punch out slight gains despite page loss

By R. Craig Endicott

Advertising dropped and newsstand sales fell, but the nation's top magazines still eked out a slight gain in revenues.

The 300 largest magazines saw 1990 gross revenues inch up 3.9% to $17.3 billion, according to *Advertising Age's* second annual Magazine 300 report.

The magazines countered the ad slump and newsstand decline by pushing up subscription fees and page rates; the latter, added to declining circulation, drove up the cost per thousand for advertisers.

The Magazine 300 in 1990 collected 2.1% fewer ad pages and 2.7% fewer dollars from single-copy sales, while subscription revenues advanced 6% and ad revenues grew 4.3%.

In pre-recession 1989, the Magazine 300 turned in robust growth of 7.9%, including an 11.5% growth in ad revenues and 3.7% advance in overall circulation. But, as in 1990, fewer single copies were sold—down 5.5%—yet a higher cost-per-issue kept newsstand reve-

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Illustration by Joe Geist

Top 300 magazines by 1990 gross revenues

Rank 1990	Rank 1989	Magazine, headquarters	Total revenues	'89-'90 % chg	Ad revenues	Ad pages	Subscriber revenues	Newsstand revenues	Paid circulation	Parent company	Telephone
1	1	**TV Guide**, Radnor, Pa.	$915.3	(1.4)	$320.3	2,966.02	$326.7	$268.3	15,604,267	News Corp.	(215) 293-8500
2	3	**People**, New York	642.4	5.5	345.8	3,625.78	110.9	185.7	3,208,667	Time Warner	(212) 522-1212
3	2	**Time**, New York	636.1	0.0	381.9	2,727.93	226.5	27.7	4,094,935	Time Warner	(212) 522-1212
4	4	**Sports Illustrated**, New York	551.1	(2.7)	335.7	2,672.38	200.2	15.2	3,220,016	Time Warner	(212) 522-1212
5	5	**Reader's Digest**, New York	436.1	4.0	108.6	1,048.98	306.3	21.1	16,264,547	Reader's Digest Association	(212) 953-0030
6	6	**Newsweek**, New York	402.8	1.2	253.3	2,302.04	124.5	25.1	3,211,958	Washington Post Co.	(212) 350-4312
7	7	**Parade**, New York	355.2	12.9	355.2	740.45	0.0	0.0	35,092,000	Advance Publications	(212) 573-7000
8	8	**Business Week**, New York	283.8	(3.7)	245.9	4,407.02	34.5	3.5	890,094	McGraw-Hill	(212) 512-2000
9	9	**Better Homes & Gardens**, New York	275.5	(0.1)	143.5	1,266.98	119.9	12.1	8,007,222	Meredith Corp.	(212) 557-6600
10	11	**Good Housekeeping**, New York	259.8	6.0	163.2	1,740.35	63.3	33.2	5,152,521	Hearst Corp.	(212) 649-2531
11	12	**U.S. News & World Report**, Washington	256.1	4.6	159.3	2,010.93	88.6	8.1	2,311,534	U.S. News & World Report	(212) 326-5300
12	13	**National Geographic**, Washington	246.9	9.7	35.5	311.73	211.4	0.0	10,189,703	National Geographic Society	(202) 857-7000
13	10	**Family Circle**, New York	240.2	(3.6)	137.3	1,684.85	38.0	65.0	5,431,779	New York Times Co.	(212) 463-1000
14	20	**PC Magazine**, New York	227.5	25.9	189.6	6,856.31	29.5	8.4	786,041	Ziff Communications	(212) 503-5100
15	16	**Ladies' Home Journal**, New York	212.5	3.0	109.4	1,532.25	80.6	22.5	5,001,739	Meredith Corp.	(212) 953-7070
16	19	**Forbes**, New York	207.5	6.1	169.5	3,939.25	33.8	4.3	744,191	Forbes Inc.	(212) 620-2200
17	14	**National Enquirer**, Lantana, Fla.	206.4	(7.0)	43.9	1,172.00	11.5	151.1	3,803,607	G.P. Group	(407) 586-1111
18	17	**Cosmopolitan**, New York	205.1	0.4	129.9	2,156.50	14.0	61.2	2,600,971	Hearst Corp.	(212) 649-3316
19	18	**Fortune**, New York	197.8	(1.8)	161.8	3,360.17	31.9	4.2	673,356	Time Warner	(212) 522-1212
20	15	**Woman's Day**, New York	180.4	(15.3)	99.1	1,408.12	19.8	61.5	4,802,842	Hachette Publications	(212) 767-6000
21	21	**McCall's**, New York	169.6	1.1	73.4	1,010.61	87.1	9.1	5,020,127	New York Times Co.	(212) 463-1000
22	22	**Star Magazine**, Tarrytown, N.Y.	168.5	4.2	19.9	641.99	17.1	131.5	3,431,453	G.P. Group	(407) 586-1111
23	23	**Playboy**, Chicago	166.6	7.8	47.8	720.70	80.1	38.7	3,488,006	Playboy Enterprises	(212) 688-3000
24	25	**Vogue**, New York	147.9	4.1	108.1	2,965.86	13.9	26.0	1,215,767	Advance Publications	(212) 880-8800
25	26	**Glamour**, New York	145.2	2.4	94.9	1,855.21	14.3	36.1	2,156,157	Advance Publications	(212) 880-8800
26	24	**Money**, New York	143.8	0.4	78.3	1,247.32	55.3	10.2	1,915,053	Time Warner	(212) 522-1212
27	29	**Cable Guide**, Horsham, Pa.	135.9	10.4	29.5	336.27	106.4	0.0	8,867,193	TVSM	(212) 683-6116
28	27	**Redbook**, New York	130.9	0.5	75.7	1,205.64	37.9	17.4	3,907,221	Hearst Corp.	(212) 649-3330
29	28	**New York Times Magazine**, New York	128.1	1.0	128.1	3,730.48	0.0	0.0	1,686,974	New York Times Co.	(212) 556-1234
30	34	**USA Weekend**, New York	119.0	14.6	119.0	685.51	0.0	0.0	15,526,893	Gannett Co.	(212) 715-2100
31	33	**Rolling Stone**, New York	118.7	5.0	76.0	1,990.08	23.7	18.9	1,229,280	Straight Arrow Publishers	(212) 758-3800
32	32	**Southern Living**, Birmingham, Ala.	116.6	2.6	63.9	1,252.86	47.8	5.0	2,341,074	Time Warner	(205) 877-6000
33	31	**Penthouse**, New York	115.0	(2.9)	26.5	649.89	11.2	77.3	1,612,574	General Media	(212) 496-6100
34	30	**Life**, New York	112.4	(5.4)	45.9	655.90	41.8	24.7	1,844,482	Time Warner	(212) 522-1212
35	35	**Modern Maturity**, Lakewood, Calif.	105.1	6.3	51.3	227.42	53.8	0.0	22,430,894	American Assoc. of Retired Persons	(213) 496-2277
36	41	**PC Week**, Medford, Mass.	100.4	17.3	100.4	5,345.13	0.0	0.0	0	Ziff Communications	(617) 375-4000
37	42	**Consumer Reports**, Yonkers, N.Y.	98.4	17.0	0.0	0.00	94.2	4.1	4,849,173	Consumers Union of U.S.	(914) 667-9400
38	36	**Golf Digest**, Trumbull, Conn.	95.7	(2.4)	66.7	1,287.91	24.3	4.8	1,357,433	New York Times Co.	(203) 373-7000
39	37	**Parents**, New York	95.0	(0.9)	59.6	1,487.01	31.7	3.7	1,743,424	Gruner & Jahr Publications	(212) 878-8700
40	39	**Elle**, New York	92.3	4.2	67.7	2,297.51	11.0	13.6	836,556	Hachette Publications	(212) 767-6044
41	40	**Travel & Leisure**, New York	92.2	6.2	58.6	1,419.86	33.1	0.6	1,117,412	American Express Co.	(212) 382-5600
42	44	**Woman's World**, Englewood Cliffs, N.J.	88.8	11.7	2.7	175.00	0.0	86.1	1,505,312	Bauer Publishing Co.	(212) 953-3344
43	38	**Smithsonian**, Washington	85.9	(5.3)	41.0	947.30	44.4	0.5	2,234,706	Smithsonian Institution	(202) 786-2900
44	50	**Computerworld**, Framingham, Mass.	82.6	11.2	76.1	3,967.73	6.5	0.0	135,755	International Data Group	(800) 343-6474
45	48	**The New Yorker**, New York	82.4	9.0	61.2	2,456.31	18.8	2.3	613,747	Advance Publications	(212) 840-3800
46	43	**Country Living**, New York	81.9	1.8	44.4	1,111.29	18.9	18.6	1,803,867	Hearst Corp.	(212) 649-3132
47	45	**Mademoiselle**, New York	76.8	0.1	49.0	1,494.93	7.5	20.3	1,178,116	Advance Publications	(212) 880-8800
48	51	**Architectural Digest**, Los Angeles	75.7	3.9	48.2	1,820.97	20.7	6.8	631,718	Knapp Communications Corp.	(213) 965-3700
49	53	**Sunset**, Menlo Park, Calif.	75.0	3.4	45.9	1,404.13	26.4	2.7	1,409,587	Time Warner	(415) 321-3600
50	47	**Soap Opera Digest**, New York	74.9	(1.8)	6.5	413.64	16.0	52.5	1,447,041	K-III Holdings	(212) 645-2100
51	46	**Car & Driver**, New York	72.1	(5.7)	49.7	1,283.36	14.9	7.5	959,395	Hachette Publications	(212) 767-6095
52	54	**Prevention**, Emmaus, Pa.	70.1	(2.7)	19.2	545.73	42.6	8.2	3,022,108	Rodale Press	(215) 967-5171
53	55	**Seventeen**, New York	68.841	(1.9)	37.2	1,206.21	21.0	10.6	1,772,362	K-III Holdings	(212) 759-8100
54	57	**Ebony**, Chicago	68.840	0.1	37.7	1,065.35	24.7	6.5	1,810,668	Johnson Publishing Co.	(312) 322-9200
55	52	**Field & Stream**, New York	68.3	(6.2)	35.7	800.03	30.7	2.0	2,016,298	Times Mirror Co.	(212) 779-5000
56	56	**GQ**, New York	67.7	(3.2)	49.6	2,030.58	6.1	12.0	637,953	Advance Publications	(212) 880-8800
57	60	**Self**, New York	67.5	3.1	46.8	1,255.52	9.1	11.6	1,100,897	Advance Publications	(212) 880-8800
58	66	**Vanity Fair**, New York	66.0	19.0	49.9	1,472.54	7.6	8.5	789,820	Advance Publications	(212) 880-8800
59	59	**Bride's**, New York	65.2	(0.7)	56.2	3,172.57	1.0	8.0	323,818	Advance Publications	(212) 880-8800
60	61	**Inc.**, Boston	64.6	2.8	48.1	1,170.59	14.8	1.8	640,776	Goldhirsh Group	(617) 227-4700
61	58	**New York Magazine**, New York	63.2	(4.2)	43.4	2,657.54	15.5	4.2	436,110	K-III Holdings	(212) 880-0700
62	72	**Golf Magazine**, New York	61.0	12.6	37.6	1,091.80	19.5	4.0	1,088,999	Times Mirror Co.	(212) 779-5000
63	49	**US**, New York	59.6	(19.9)	20.8	700.68	22.4	16.4	1,326,410	Straight Arrow Publishers	(212) 484-1616
64	93	**Computer Shopper**, New York	59.5	33.3	48.4	7,008.26	4.1	6.9	333,233	Coastal Associates	(212) 503-3800
65	63	**BYTE**, Peterborough, N.H.	59.0	2.8	43.0	3,156.00	10.5	5.5	482,456	McGraw-Hill	(603) 924-9281
66	74	**PC World**, San Francisco	58.8	10.8	41.0	2,181.65	14.3	3.6	576,442	International Data Group	(415) 243-0500
67	64	**Bon Appetit**, Los Angeles	58.7	3.6	32.2	1,045.03	23.3	3.3	1,397,559	Knapp Communications Corp.	(212) 687-1255
68	62	**Sporting News**, St. Louis	58.3	(3.4)	9.5	521.34	44.2	4.6	694,434	Times Mirror Co.	(212) 779-5000
69	73	**Jet**, Chicago	57.2	6.8	18.0	1,058.91	29.4	9.7	968,545	Johnson Publishing Co.	(312) 322-9200
70	65	**Highlights for Children**, Columbus, Ohio	55.9	0.0	0.0	0.00	55.9	0.0	2,800,000	Highlights for Children	(614) 486-0631
71	69	**1,001 Home Ideas**, New York	55.5	2.2	18.9	668.38	35.6	1.1	1,662,102	Family Media	(212) 779-6200
72	75	**Motor Trend**, Los Angeles	55.4	4.7	34.3	940.77	13.6	7.5	892,930	Petersen Publishing Co.	(213) 854-2113
73	70	**Popular Mechanics**, New York	54.6	0.5	26.3	833.24	22.0	6.3	1,651,064	Hearst Corp.	(212) 649-3076
74	76	**Harper's Bazaar**, New York	54.0	2.5	37.4	1,426.01	7.7	8.8	749,006	Hearst Corp.	(212) 903-5000
75	80	**Barron's**, New York	53.6	4.5	26.1	1,805.00	12.4	15.0	241,319	Dow Jones & Co.	(212) 808-7200

Notes: Dollars are in millions. All revenue figures are gross and represent AA estimates. See Page S-10 for sources and methodology. *Majority controlled-circulation publication

AA chart: Kevin Kraus

Top 300 magazines by 1990 gross revenues

Rank 1990	Rank 1989	Magazine, headquarters	Total revenues	'89-'90 % chg	Ad revenues	Ad pages	Subscriber revenues	Newsstand revenues	Paid circulation	Parent company	Telephone
76	68	**Travel Weekly**, Secaucus, N.J.	53.357	(2.5)	52.6	4,866.42	0.7	0.0	46,607	Reed International	(201) 902-2000
77	87	**Gourmet**, New York	52.746	10.9	35.3	1,332.83	14.3	3.2	899,549	Advance Publications	(212) 371-1330
78	79	**Esquire**, New York	52.463	2.0	39.4	1,240.71	9.7	3.3	720,149	Hearst Corp.	(212) 459-0600
79	67	**Road & Track**, Newport Beach, Calif.	51.850	(5.7)	34.6	1,142.20	10.7	6.5	721,568	Hachette Publications	(714) 720-5300
80	78	**First for Women**, Englewood Cliffs, N.J.	51.350	(1.1)	11.6	390.00	0.0	39.7	2,649,810	Bauer Publishing Co.	(212) 953-3344
81	88	**Town & Country**, New York	50.935	7.3	39.2	1,605.86	9.2	2.5	453,174	Hearst Corp.	(212) 903-5000
82	82	**New Y**oman**, New York	50.766	0.8	22.4	915.08	11.4	16.9	1,340,540	K-III Holdings	(212) 685-4790
83	90	**Endless Vacation**, Indianapolis	50.530	8.6	3.4	250.21	47.1	0.0	798,531	Endless Vacation Publications	(317) 871-9555
84	81	**Metropolitan Home**, Des Moines	49.840	(2.4)	35.2	1,087.97	12.0	2.6	675,571	Meredith Corp.	(515) 284-3000
85	71	**Popular Science**, New York	49.749	(8.2)	22.5	763.07	22.4	4.8	1,807,540	Times Mirror Co.	(212) 779-5070
86	99	**Macworld**, San Francisco	49.748	23.2	40.7	2,710.97	5.9	3.2	313,936	International Data Group	(415) 243-0505
87	77	**Globe**, Boca Raton, Fla.	49.325	(5.0)	1.0	79.77	1.1	47.2	1,200,484	Globe Communications Corp.	(407) 997-7733
88	91	**Modern Bride**, New York	49.293	6.5	41.1	2,576.13	0.6	7.5	306,387	Reed International	(212) 779-1999
89	85	**Working Woman**, New York	48.983	(0.1)	32.1	1,004.21	15.2	1.7	900,700	Lang Communications	(212) 551-9500
90	83	**Muscle & Fitness**, Woodland Hills, Calif.	48.976	(2.4)	21.8	1,272.44	4.4	22.7	605,957	Weider Publications	(212) 251-0640
91	89	**HFD-The Weekly Home Furnishings**, New York	48.356	1.9	47.6	4,308.00	0.8	0.0	25,819	Capital Cities/ABC	(212) 630-4000
92	103	**MacUser**, Foster City, Calif.	48.171	23.0	39.3	2,594.85	6.8	2.1	311,253	Ziff Communications	(415) 378-5600
93	94	**House Beautiful**, New York	47.904	8.3	27.2	744.59	13.5	7.2	985,129	Hearst Corp.	(212) 903-5100
94	84	**Outdoor Life**, New York	47.650	(4.2)	25.7	810.16	19.8	2.2	1,512,464	Times Mirror Co.	(212) 779-5070
95	NA	**Entertainment Weekly**, New York	45.741	NA	19.5	905.76	22.1	4.1	NA	Time Warner	(212) 522-8470
96	106	**Journal of the AMA**, Chicago	44.721	18.6	22.3	3,837.39	22.4	0.0	283,912	American Medical Association	(312) 464-3455
97	105	**Popular Photography**, New York	44.448	17.5	32.1	1,296.00	10.0	2.4	911,117	Hachette Publications	(212) 767-6000
98	118	**Financial World**, New York	44.328	36.3	24.5	973.83	19.5	0.3	504,020	Financial World Partners	(212) 594-5030
99	92	**Electronic Engineering Times**, Manhasset, N.Y.*	44.093	(3.0)	44.1	4,620.66	0.0	0.0	0	CMP Publications	(516) 562-5000
100	113	**Economist**, New York	43.458	23.2	23.1	2,643.82	17.7	2.6	198,339	Economist Newspapers N.A.	(212) 541-5730
101	100	**HG-House & Garden**, New York	43.431	7.7	26.5	1,079.05	13.1	3.8	624,239	Advance Publications	(212) 880-8800
102	86	**Omni**, New York	43.366	(10.8)	20.1	654.98	16.0	7.2	838,420	General Media	(212) 496-6100
103	132	**PC Computing**, Foster City, Calif.	43.162	49.8	27.4	1,952.92	13.1	2.7	598,229	Ziff Communications	(415) 578-7000
104	96	**EDN**, Newton, Mass.*	42.813	0.6	42.8	5,618.00	0.0	0.0	0	Reed International	(617) 964-3030
105	98	**Restaurants & Institutions**, Des Plaines, Ill.*	42.690	4.6	42.7	3,766.87	0.0	0.0	0	Reed International	(708) 635-8800
106	108	**Essence**, New York	42.548	13.4	22.1	881.13	15.3	5.1	850,607	Essence Communication	(212) 642-0600
107	102	**Discover**, New York	42.133	6.5	10.4	424.44	25.7	6.0	1,121,855	Family Media	(212) 779-6200
108	114	**Conde Nast Traveler**, New York	41.879	19.8	30.5	1,101.34	10.4	0.9	727,135	Advance Publications	(212) 880-8800
109	117	**InfoWorld**, Menlo Park, Calif.*	41.284	21.2	39.7	3,593.00	1.6	0.0	18,099	International Data Group	(415) 328-4602
110	95	**Hot Rod**, Los Angeles	40.432	(8.6)	19.4	808.45	12.9	8.1	876,938	Petersen Publishing Co.	(213) 854-2133
111	130	**CRN/Computer Reseller News**, Manhasset, N.Y.*	40.000	37.9	40.0	6,410.65	0.0	0.0	0	CMP Publications	(516) 562-5719
112	104	**W**, New York	39.517	1.4	31.1	1,352.99	7.4	1.0	259,966	Capital Cities/ABC	(212) 630-4900
113	97	**Stereo Re**iew**, New York	38.212	(7.3)	29.9	906.39	6.9	1.4	540,605	Hachette Publications	(212) 767-6000
114	133	**Tennis**, Tr**mbull, Conn.	38.061	34.1	23.9	713.01	12.9	1.3	772,190	New York Times Co.	(203) 373-7000
115	101	**Kiplinger's Personal Finance Magazine**, New York	37.821	(5.1)	16.9	637.73	20.0	0.9	1,139,738	Kiplinger Washington Editors	(212) 398-6320
116	111	**New England Journal of Medicine**, Boston	37.229	4.2	22.2	4,750.00	15.0	0.0	221,187	New England Journal of Medicine	(617) 893-3800
117	110	**Food & Wine**, New York	37.207	0.5	17.4	711.95	18.8	1.1	818,165	American Express Co.	(212) 382-5600
118	115	**National Examiner**, Montreal, Canada	35.569	1.9	0.4	49.39	0.4	34.8	805,307	Globe Communications Corp.	(407) 997-7733
119	112	**Advertising Age**, Chicago	35.121	(1.5)	28.4	2,551.10	6.3	0.4	90,033	Crain Communications	(312) 649-5358
120	116	**HOME**, New York	34.961	1.2	17.4	632.63	15.0	2.6	942,159	Hachette Magazines	(212) 767-6000
121	107	**Guideposts**, Carmel, N.Y.	34.961	(7.1)	0.0	0.00	35.0	0.0	3,901,285	Guideposts Associates	(800) 431-2344
122	109	**Aviation Week & Space Technology**, New York	34.674	(7.0)	25.1	2,363.79	9.6	0.0	141,259	McGraw-Hill	(212) 512-4360
123	124	**Scientific American**, New York	34.279	11.7	13.9	536.56	13.3	7.1	641,418	Scientific American	(212) 754-0550
124	123	**Teen**, Los Angeles	32.821	6.4	11.8	606.00	13.8	7.2	1,175,037	Petersen Publishing Co.	(213) 854-2133
125	131	**Yankee**, Dublin, N.H.	32.398	12.0	12.2	798.79	18.9	1.2	1,000,784	Yankee Publications	(603) 563-8111
126	119	**Country Home**, Des Moines	31.985	(1.3)	13.8	360.44	13.4	4.8	1,029,342	Meredith Corp.	(212) 551-7171
127	157	**Billboard**, New York	30.459	28.5	20.7	2,500.00	5.9	3.8	48,062	Affiliated Publications	(212) 536-5290
128	143	**Chicago Tribune Magazine**, Chicago	30.069	18.9	30.1	1,466.80	0.0	0.0	1,132,404	Tribune Co.	(312) 222-3244
129	137	**Professional Builder & Remodeler**, Des Plaines, Ill.*	30.051	12.8	30.1	2,497.00	0.0	0.0	0	Reed International	(708) 635-8800
130	180	**Automobile**, New York	29.993	48.3	19.8	790.30	7.0	3.2	477,933	K-III Holdings	(212) 407-9737
131	177	**YM**, New York	29.901	44.5	11.3	557.00	13.8	4.8	1,008,522	Gruner & Jahr Publications	(212) 878-8700
132	135	**Family Handyman**, Minneapolis	29.218	4.1	10.1	385.50	17.7	1.4	1,331,696	Reader's Digest Association	(612) 854-3000
133	125	**Home Mechanix**, New York	29.148	(3.4)	11.9	556.50	16.3	1.0	1,215,178	Times Mirror Co.	(212) 779-5070
134	142	**Builder**, Washington	28.946	13.7	24.8	2,205.90	4.2	0.0	214,061	Hanley-Wood Publications	(202) 737-0717
135	122	**Institutional Investor**, New York*	28.945	(6.2)	24.2	1,306.92	4.7	0.0	22,389	Institutional Investor	(212) 303-3300
136	126	**Design News**, Newton, Mass.*	28.922	(2.8)	28.9	3,643.00	0.0	0.0	0	Reed International	(617) 964-3030
137	134	**Sport**, Los Angeles	28.650	1.9	9.8	403.17	14.0	4.9	925,984	Petersen Publishing Co.	(213) 854-2133
138	121	**Nation's Business**, Washington	28.605	(10.1)	9.7	309.17	18.9	0.1	860,120	Chamber of Commerce of the U.S.A.	(202) 463-5650
139	164	**Victoria**, New York	28.227	28.4	12.2	600.22	9.2	6.8	805,983	Hearst Corp.	(212) 649-3700
140	159	**Communications Week**, Manhasset, N.Y.*	27.908	19.0	27.9	2,153.43	0.0	0.0	0	CMP Publications	(516) 562-5000
141	165	**Entrepreneur**, Irvine, Calif.	27.603	26.4	19.7	2,004.44	4.8	3.2	326,207	Entrepreneur Group	(714) 261-2325
142	144	**American Banker**, New York	27.412	8.7	14.7	2,097.12	12.8	0.0	20,084	Thomson Corp.	(212) 948-5280
143	233	**Mirabella**, New York	27.176	80.8	16.5	1,088.28	5.2	5.5	370,881	News Corp.	(212) 447-4600
144	148	**Nature**, New York	26.743	7.6	12.8	2,978.37	14.0	0.0	49,969	Macmillans UK	(212) 477-9600
145	145	**Working Mother**, New York	26.559	5.5	17.7	752.82	8.4	0.4	666,272	Lang Communications	(212) 551-9500
146	195	**Datamation**, Newton, Mass.*	26.538	41.6	26.3	1,870.26	0.3	0.0	3,682	Reed International	(617) 964-3030
147	120	**Health**, New York	26.456	(17.9)	7.1	379.40	19.3	0.0	878,994	Family Media	(212) 779-6200
148	139	**Shape**, Woodland Hills, Calif.	26.424	0.6	11.4	645.17	4.4	10.6	661,521	Weider Publications	(212) 251-0640
149	127	**Los Angeles Times Magazine**, Los Angeles	26.393	(11.0)	26.4	1,074.25	0.0	0.0	1,518,000	Times Mirror Co.	(213) 237-5000
150	162	**AutoWeek**, Detroit	26.339	16.6	18.6	1,862.80	7.3	0.4	265,533	Crain Communications	(313) 446-6000

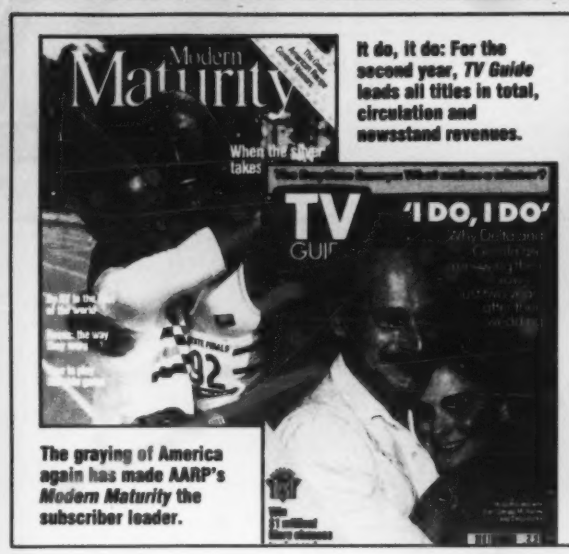
Notes: Dollars are in millions. All revenue figures are gross and represent AA estimates. See Page S-10 for sources and methodology. *Majority controlled-circulation publication

Top 300 magazines by 1990 gross revenues

Rank 1990	Rank 1989	Magazine, headquarters	Total revenues	'89-'90 % chg	Ad revenues	Ad pages	Subscriber revenues	Newsstand revenues	Paid circulation	Parent company	Telephone
151	158	**Sesame Street Magazine**, New York	26.069	10.9	8.6	269.39	17.5	0.0	1,249,565	Children's Television Workshop	(212) 595-3456
152	170	**Premiere**, New York	25.765	21.9	15.0	819.94	5.6	5.2	470,915	K-III Holdings	(212) 725-3437
153	138	**Organic Gardening**, Emmaus, Pa.	25.649	(2.8)	6.9	384.58	18.4	0.4	1,034,842	Rodale Press	(215) 967-5171
154	151	**Science**, Washington	25.548	5.4	13.1	2,000.64	12.4	0.0	153,454	Amer. Assn. for the Adv. of Science	(202) 326-6535
155	150	**Weight Watchers**, New York	25.528	3.9	8.5	423.60	14.8	2.2	1,020,248	Weight Watchers Twentyfirst Corp.	(212) 370-0644
156	194	**Parenting**, San Francisco	25.229	33.3	14.9	837.71	9.1	1.2	555,180	Time Warner	(415) 546-7575
157	172	**Nursing '90**, Springhouse, Pa.	24.941	18.7	10.3	920.15	14.6	0.0	456,657	Elsevier Business Press	(215) 646-8700
158	146	**ABA Journal**, Chicago	24.825	(1.1)	6.4	561.00	18.4	0.0	383,076	American Bar Association	(312) 988-6003
159	160	**Lear's**, New York	24.776	7.3	10.9	632.77	12.3	1.7	453,557	Lear Publishing	(212) 888-0007
160	141	**Ski**, New York	24.642	(3.3)	18.9	989.87	4.5	1.2	454,957	Times Mirror Co.	(212) 779-5070
161	175	**American Way**, Fort Worth, Texas*	24.634	18.9	24.6	1,780.00	0.0	0.0	0	AA Publications	(817) 967-1804
162	140	**ENR**, New York	24.489	(5.3)	19.7	3,022.43	4.8	0.0	103,004	McGraw-Hill	(212) 512-2500
163	176	**Tour & Travel News**, Manhasset, N.Y.*	24.094	16.3	24.1	3,498.78	0.0	0.0	0	CMP Publications	(516) 562-5000
164	178	**InformationWeek**, Manhasset, N.Y.*	23.819	15.9	23.7	1,814.95	0.1	0.0	1,231	CMP Publications	(516) 562-5000
165	149	**Adweek network**, New York	23.742	(4.4)	18.1	1,388.00	5.3	0.4	73,296	Affiliated Publications	(212) 529-5500
166	147	**Nation's Restaurant News**, New York	23.612	(5.1)	21.1	2,521.83	2.6	0.0	86,801	Lebhar-Friedman Publications	(212) 371-9400
167	153	**Skiing**, New York	23.467	(2.2)	18.0	923.87	4.3	1.2	443,003	Times Mirror Co.	(212) 779-5070
168	211	**Inside Sports**, Evanston, Ill.	23.179	32.3	6.2	482.14	10.3	6.6	656,971	Century Publishing Co.	(708) 491-6440
169	174	**Sports Afield**, New York	22.876	9.7	15.8	794.70	5.3	1.8	522,308	Hearst Corp.	(212) 649-4300
170	200	**MacWeek**, San Francisco*	22.768	23.6	22.8	2,743.05	0.0	0.0	0	Coastal Associates	(415) 243-3500
171	166	**Guns & Ammo**, Los Angeles	22.600	3.9	8.6	587.60	8.7	5.3	584,316	Petersen Publishing Co.	(213) 854-2133
172	181	**Video**, New York	22.502	11.7	13.8	847.60	7.2	1.5	450,285	Reese Communications	(212) 947-6500
173	179	**European Travel & Life**, New York	22.466	10.4	13.0	548.11	8.2	1.3	385,587	K-III Holdings	(212) 949-3500
174	184	**Bicycling**, Emmaus, Pa.	22.200	13.0	14.4	1,029.26	5.0	2.8	375,490	Rodale Press	(215) 967-5171
175	207	**Network World**, Framingham, Mass.*	22.139	25.5	22.1	1,853.71	0.0	0.0	0	International Data Group	(508) 875-6400
176	169	**Electronic Buyers' News**, Manhasset, N.Y.*	21.685	2.4	21.7	2,705.61	0.0	0.0	0	CMP Publications	(516) 562-5000
177	183	**Runner's World**, Emmaus, Pa.	21.681	8.0	10.2	503.61	9.1	2.4	447,600	Rodale Press	(215) 967-5171
178	185	**Texas Monthly**, Austin	21.672	11.6	15.8	1,344.52	4.9	1.0	305,742	Mediatex Communication Corp.	(512) 320-6900
179	156	**Frequent Flyer Magazine**, New York	21.666	(9.1)	6.1	481.00	15.6	0.0	329,906	Maxwell Communications	(212) 237-3000
180	163	**Delta Sky**, North Miami, Fla.*	21.587	(2.8)	21.6	849.76	0.0	0.0	0	Halsey Publishing Co.	(305) 893-1520
181	171	**Boys' Life**, Irving, Texas	21.327	1.2	3.4	212.14	17.9	0.0	1,357,659	Boy Scouts of America	(214) 580-2352
182	206	**Supermarket News**, New York	21.143	19.2	20.2	1,508.42	1.0	0.0	53,347	Capital Cities/ABC	(212) 743-4750
183	192	**Chronicle of Higher Education**, Washington	21.131	10.6	15.6	3,442.00	5.6	0.0	88,598	Chronicle of Higher Education	(202) 466-1000
184	193	**Restaurant Business**, New York*	21.057	10.9	21.1	2,349.91	0.0	0.0	0	Bill Communications	(212) 986-4800
185	155	**Machine Design**, Cleveland*	21.024	(12.1)	21.0	2,639.95	0.0	0.0	0	Pittway Corp.	(216) 696-7000
186	221	**Harvard Business Review**, Boston	20.942	27.9	5.5	397.18	15.1	0.4	205,764	Harvard Grad. School of Bus. Admin.	(617) 495-6182
187	128	**True Story**, New York	20.752	(29.3)	8.6	627.68	8.4	3.7	770,103	Macfadden Holdings	(212) 979-4800
188	186	**Meetings & Conventions**, Secaucus, N.J.*	20.470	5.9	20.5	1,749.93	0.0	0.0	0	Reed International	(201) 902-1500
189	257	**Insight**, Washington	20.455	48.6	2.4	0.00	18.1	0.0	463,087	Washington Times Corp.	(212) 636-8800
190	152	**Playgirl**, New York	20.441	(15.6)	1.8	514.29	6.1	12.6	425,000	Drake Publishers	(212) 986-5100
191	173	**Bassmaster**, Montgomery, Ala.	20.410	(2.4)	12.5	623.41	7.6	0.3	518,759	B.A.S.S. Publications	(205) 272-9530
192	196	**American Baby**, New York*	20.280	8.5	18.1	779.00	2.2	0.0	185,568	Reed International	(212) 689-3600
193	129	**American Health**, New York	20.248	(30.3)	8.0	409.79	11.3	1.0	806,172	Reader's Digest Association	(212) 366-8900
194	202	**Flying**, New York	20.233	10.9	12.2	699.26	5.8	2.2	327,890	Hachette Publications	(212) 767-6953
195	201	**Satellite Orbit**, Vienna, Va.	20.172	9.6	1.7	261.78	8.8	9.7	346,557	CommTek Communications	(703) 827-0511
196	167	**Connoisseur**, New York	20.131	(7.4)	13.3	776.29	6.2	0.6	329,008	Hearst Corp.	(212) 492-1300
197	161	**Boating**, New York	20.037	(11.6)	14.9	1,374.10	3.6	1.5	186,176	Hachette Publications	(212) 767-5525
198	154	**Washington Post Magazine**, Washington	20.025	(16.4)	20.0	1,275.50	0.0	0.0	1,149,856	Washington Post Co.	(202) 334-6160
199	168	**Automotive News**, Detroit	19.859	(6.4)	15.0	2,140.00	4.8	0.0	79,180	Crain Communications	(313) 446-6000
200	227	**OnSat**, Shelby, N.C.	19.734	26.9	2.0	462.00	15.4	2.3	346,682	Triple D Publishing	(704) 482-9673
201	213	**Atlantic**, Boston	19.733	13.8	12.0	702.20	6.3	1.4	471,977	Mortimer Zuckerman	(617) 536-9500
202	182	**Car Craft**, Los Angeles	19.533	(3.0)	9.7	840.00	5.0	4.8	426,610	Petersen Publishing Co.	(213) 854-2133
203	218	**Hemmings Motor News**, Bennington, Vt.	19.437	14.9	10.5	NA	5.8	3.1	295,373	Watering Inc.	(802) 442-3101
204	215	**Skin Diver**, Los Angeles	18.516	8.1	13.5	1,450.92	3.5	1.5	218,473	Petersen Publishing Co.	(212) 854-2133
205	191	**Farm Journal**, Philadelphia	18.502	(3.4)	12.9	503.00	5.6	0.0	464,615	Farm Journal Inc.	(215) 829-4700
206	263	**Cooking Light**, Birmingham, Ala.	18.447	38.7	7.0	382.80	10.0	1.5	924,499	Time Warner	(205) 877-6000
207	197	**Homeowner**, New York	18.332	(1.9)	4.0	271.67	14.0	0.3	795,012	Family Media	(212) 779-6200
208	250	**Plant Engineering**, Des Plaines, Ill.*	18.304	30.4	18.3	2,470.00	0.0	0.0	0	Reed International	(708) 635-8800
209	253	**Country**, Greendale, Wis.	18.252	31.2	0.0	0.00	17.9	0.4	1,316,500	Reiman Publications	(414) 423-0100
210	231	**Practical Homeowner**, New York	18.169	20.3	6.9	418.14	11.0	0.3	750,068	Capital Cities/ABC	(212) 887-1856
211	205	**Natural History**, New York	18.103	1.3	6.6	480.92	11.3	0.2	520,669	Amer. Museum of Natural History	(212) 769-5500
212	225	**Army Times**, Springfield, Va.	18.082	14.5	10.7	1,879.40	5.2	2.2	128,974	Army Times Publishing Co.	(703) 750-2000
213	238	**TravelAge magazines**, San Francisco*	18.000	22.4	18.0	4,286.00	0.0	0.0	0	Maxwell Communications	(212) 237-3050
214	316	**Decorating Remodeling**, New York	17.895	69.9	10.0	427.23	4.5	3.4	666,286	New York Times Co.	(212) 463-1572
215	220	**National Geographic Traveler**, Washington	17.866	7.2	4.9	260.51	12.9	0.0	707,110	National Geographic Society	(202) 857-7000
216	216	**4-Wheel**, Los Angeles	17.758	4.4	9.0	1,016.70	4.4	4.3	342,545	Petersen Publishing Co.	(213) 854-2133
217	209	**Travelhost**, Dallas*	17.736	0.8	17.7	NA	0.0	0.0	0	Travelhost Inc.	(214) 691-1163
218	187	**Boston Globe Magazine**, Boston	17.653	(8.6)	17.7	1,881.00	0.0	0.0	798,298	Affiliated Publications	(617) 929-2000
219	136	**Medical Economics**, Montvale, N.J.	17.645	(35.9)	15.9	2,587.00	1.7	0.0	20,558	Thomson Corp.	(201) 358-7200
220	237	**Midwest Living**, Des Moines	17.537	19.2	7.9	411.96	8.2	1.4	624,959	Meredith Corp.	(515) 284-3000
221	189	**Electronic Design**, Hasbouck Hts., N.J.*	17.352	(9.8)	17.4	2,534.79	0.0	0.0	0	Pittway Corp.	(216) 696-7000
222	199	**Industry Week**, Cleveland	17.307	(6.4)	17.2	1,043.00	0.1	0.0	1,302	Pittway Corp.	(216) 696-7000
223	198	**Digital Review**, Boston*	17.289	(7.1)	17.3	1,694.81	0.0	0.0	0	Reed International	(617) 864-7030
224	204	**Chemical & Engineering News**, Westport, Conn.	17.246	(3.7)	9.4	1,365.00	7.9	0.0	131,428	American Chemical Society	(203) 667-9353
225	203	**United's Vis 'A Vis**, New York*	17.214	(5.5)	17.2	872.50	0.0	0.0	0	East/West Network	(212) 888-5900

Notes: Dollars are in millions. All revenue figures are gross and represent AA estimates. See Page S-10 for sources and methodology. *Majority controlled-circulation publication

(Continued on Page S-14)

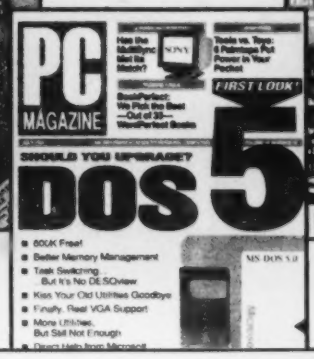


It do, it do: For the second year, *TV Guide* leads all titles in total, circulation and newsstand revenues.

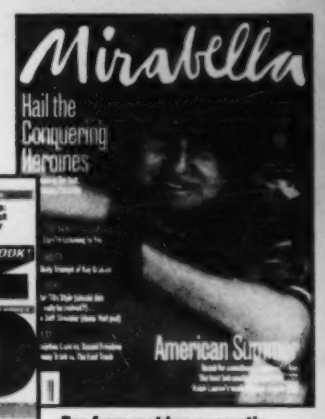
The graying of America again has made AARP's *Modern Maturity* the subscriber leader.

A real-estate recession? Hard to believe when *Real Estate Today* tops trade subscribers.

Plugged into a good thing: *Cable Guide* bumps page rates more than any consumer title.



***PC* may have its clones, but none come close to its lead among all trade books in total, ad and circulation, revenues, ad pages—and page rates.**



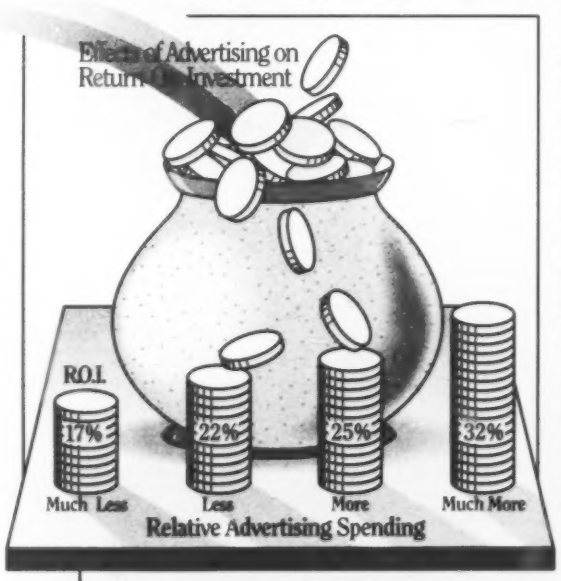
Far from making cosmetic moves, *Mirabella* raised its b&w page rate more than any women's magazine.

THE R.O.I. ON ADVERTISING IS NOW A HARD NUMBER. AND YOUR COMPETITORS MAY ALREADY HAVE IT.

What is the real impact of advertising on profitability? If you spend less, how much do you hurt your brand? If you spend more, is there any real gain?

Now some hard answers to these perennial questions have come from a comprehensive study* conducted by The Strategic Planning Institute with the Ogilvy Center for Research and Development.

For more than 15 years, the Institute's Profit Impact of Market Strategy (PIMS) study tracked 700 consumer businesses through good and bad economic cycles, in both North America and Europe.



Using this substantial data base, researchers were able to determine the extent to which the level of advertising influences the "perceived value" of a product, and how this perception affects both the relative market share and the relative market price of the product.

Measuring these factors against what really happened in the marketplace, scientists were then able to quantify the direct impact of different advertising strategies on profitability and growth.

Their finding: "Brands that advertise much more than their competitors average a 32 percent return-on-investment, while brands that advertise much less than their competitors average only a 17 percent return-on-investment."

In other words, it not only pays to advertise – it pays more to advertise more.

And it proves that, even today, there is still no better way to build a consumer perception of added value than through the use of advertising.

For more information, write to The Committee on the Value of Advertising, Department A, American Association of Advertising Agencies, 666 Third Avenue, New York, New York 10017.

We'll send you a booklet that will lead you to one, and only one, conclusion. When it comes to determining your advertising budget, there truly is "strength in numbers."

AAAA

*© 1987 The Strategic Planning Institute, Cambridge, MA

Magazines

(Continued from Page S-1)

nues from falling.

This year's report, which ranks the 300 magazines with the highest revenues from advertising and circulation, includes 217 consumer magazines and 83 business publications.

Entries to the chart fell between hands-down winner *TV Guide*, at $915.3 million in gross revenues, and No. 300 *Audubon*, at $12.1 million. *(See methodology on Page S-10 for selection criteria.)*

TV Guide's figure, though imposing, nevertheless represents the third consecutive year the News Corp. publication has failed to show a gain. Most of its decline in revenue in 1990 can be traced to a 4.8% drop in single-copy sales.

Time Warner led parent companies of the Magazine 300 with gross revenues of $2.6 billion, up 2.9%, from its 13 ranked publications. Its total ad pages slipped 0.7% but ad revenues grew 2.7% because of an 8.5% average growth in ad rates (one-time b&w); subscriber revenues expanded by 2.8%; newsstand revenues grew 4% although average single-copy sales dropped 7.2%.

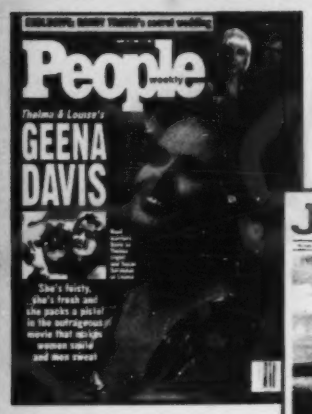
The major change in ranking among the Top 10 involved an in-house scrimmage at Time Warner in which *People* overtook last year's No. 2 *Time*. *People's* revenue growth of 5.5% only was surpassed in the Top 10 by No. 7 *Parade* at 12.9% and No. 10 *Good Housekeeping* at 6%.

While *Time* showed no growth at $636.1 million, sister publication, No. 4 *Sports Illustrated*, registered a decline of 2.7% to $551.1 million after charting 7.5% growth in revenues in the prior year. *Time's* newsweekly rival, No. 6 *Newsweek*, grew 1.2% to $402.8 million.

Two other magazines in this year's Top 10 experienced revenue declines: No. 8 *Business Week* at $283.8 million, down 3.7%, and No. 9 *Better Homes & Gardens* at $275.5 million, down 0.1%.

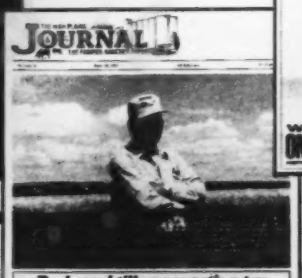
BH&G appears vulnerable to hard-charging *Good Housekeeping*, which rose a notch to No. 10 on the basis of a 6% growth in revenues to $259.8 million. Total ad pages declined 11.3% at the pricier *BH&G*, while ad pages rose 2.2% at *GH*.

Fellow Seven Sister publication *Family Circle*, No. 18, was the only magazine to tumble from the 1989 Top 10. Its revenues declined 3.6% to $240.2 million. *FC* is seeking this year to plug the revenue drain by charging $4


People
weekly
Thelma & Louise's
GEENA DAVIS
She's feisty, she's fresh and she packs a pistol in the outrageous movie that delights women sated and men sweat

Sibling rivalry hits Time Warner as *People* passes *Time* to become the No. 2 magazine behind *TV Guide*.

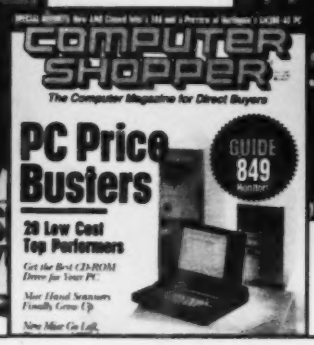
High road to readers: *High Plains Journal's* CPM tops all consumer books at $98.56; *Hemmings Motor News* scores the lowest CPM at $3.38.



***Parade's* 1990 b&w page rate hit $341,800—tops in the business—yet its CPM was one of the lowest. Its 12.9% growth also was best among the Top 10 magazines.**

So what if *People* pinched its No. 2 spot? *Time* tops all magazines with 1990 ad revenues of $381.9 million.

***Computer Shopper* leaps 28 slots to No. 64 on a 33% revenue jump and newsstand performance.**



***Family Circle* tumbles from the Top 10 as *Good Housekeeping* moves up.**

more per subscription and 9.3% more per b&w ad page.

That remedy capitalizes in part on its ability in 1990 to convert newsstand sales to subscriber revenues. *FC's* subs rose a phenomenal 46% to 2.4 million from the prior year while newsstand sales dropped 20.4% to 3.1 million. The trade-off was a $6 million gross revenue gain. *FC's* higher ad rate also softened the impact of losing 16.5% of its ad pages in 1990.

Such ad-page losses have become de rigueur. Consumer magazines ran 9.8% fewer ad pages in first quarter 1991 over the prior-year period, according to Publishers Information Bureau. But higher ad rates slowed the ad dollar decline to only 2%.

On average, consumer monthlies hiked one-time b&w rates for 1991 by 8.1%; consumer weeklies boosted rates 10.1%; business monthly rates rose an average 5.7%; business weeklies, 4.2%. These average increases, generally reflected across the rate card, are not extraordinary as publishers became increasingly sensitive to competitive pressure.

Among categories, newsweeklies dominate dollar-volume: Their $3.6 billion in revenues—up 2%—represents 20.7% of the Magazine 300. Newsweekly advertising, totaling 52.4% of total revenues, gained 2.4% as circulation dollars rose 2.1%.

Price increases, however, accounted for year-to-year growth because overall ad pages dropped 2.8%, average paid circulation grew only 0.4% and single-copy issues declined 2%.

The average cost of a one-time b&w rate grew 6.1%. Publishers in the category have raised b&w prices an average 9.8% in 1991 to blunt further erosion in revenues.

U.S. News & World Report, among the better category performers with gains in subscribers and newsstand sales, couldn't escape the advertiser's thinning pockets as ad pages dipped 2.1%.

The general editorial category had the second-highest revenue volume of $2.5 billion, up 5.1%. Advertising among the 24 publications rose 6.2% to $1.1 billion, or 44.5% of total revenues.

Circulation dollars advanced 4.3%, although newsstand revenues declined 2.1% as 6.2% fewer copies on average were sold. The category's subscription revenues double those from the newsstand. Paid subs rose an average 2.8%.

The average cost of a one-time b&w rate grew 7.1%, offsetting a 2% decline in ad pages. B&w prices have increased an average of 8.3% in 1991 to counter further recessionary erosion.

Reader's Digest was category leader with $436.1 million, up 4%. Six had double-digit revenue growth—*Parade, USA Weekend, Consumer Reports, Vanity Fair, Atlantic* and *Saturday Evening Post*—and six suffered single-digit declines.

Women's magazines pulled $2.4 billion in revenues, up 1.7%, from its 33 entries, the third-largest dollar volume among categories. The category drew 50.6% of its total revenues from advertising, or $1.2 billion, up 0.7% as circulation dollars advanced 2.8%.

Ad-page price increases—averaging 15.4%—largely produced the year-to-year growth, as overall ad pages dropped 3.3%.

On the circulation side, the major revenue component was subscriptions, which grew 10.1% to $623.4 million to replace single-copy sales as the dominant component. Single-copy sales, on top in 1989, brought in $560.8 million, down 4.3%.

The average b&w rate hike among category participants was 11.7% in 1991, although the category's newest magazine, *Mirabella*, boosted its rates a sizzling 48% this year. That is not unusual for a relatively new launch; *Mirabella* came out June 1989.

> The major change among the Top 10 involved an in-house scrimmage at Time Warner in which "People" overtook "Time."

Four other magazines in this segment recorded 30%-plus growth in revenues—*Child, YM, Parenting* and *Cooking Light*. Only *Woman's Day* among the category's Top 10 was mired in a major slump with total revenues down 15.3%.

The home service and home category generated $1.1 billion in revenue, up 3.7%, from 21 titles, with 51.1% of that coming from advertising, or $562.6 million, up 2.2%. Circulation dollars, 85% of which come from subscription sales, advanced 5.5%.

Ad page rates, up an average 11.7% for a b&w page, produced higher ad dollar volume because overall ad pages dropped 2.5%.

Subscription sales grew 6.3% in dollar volume. Single-copy revenue was flat, the result of higher per-copy prices that offset a 6.1% average decline in single-copy sales for the category.

Publishers in the category have raised b&w prices an average 10.8% in 1991. Six publications in the category—*Yankee, Country, Practical Homeowner, Decorating & Remodeling, Midwest Living* and *Southern Accents*—showed revenue gains of more than 12%.

The computer category attracted just more than $1 billion in revenues, up 21.2% from 24 titles. Advertising among computer books rose 23.1% to $895.7 million to account for 86.7% of total revenues. Growth in advertising occurred in all quarters as ad pages grew 7.4%. Paid circulation grew an average 17%.

While circulation dollars advanced 10.2%, even this hot category registered sluggish newsstand sales, down an average 4.4% from 1989.

The average cost of a one-time b&w page grew 18% in 1990. Publishers in the category probably will be able to carry their average 15.1% hike in b&w rates in 1991 because of the unparalleled revenue growth in the category. Only three magazines in the category declined in 1990, while virtually all others—beginning at the top with *PC Magazine* at 25.9%—had double-digit revenue growth.

No major category declined in CPMs. CPM growth among the top five categories: 5.1% for computer magazines; 9.4% for home service & home; 12.8% for women's; 9% for general editorial; 9.3% for newsweeklies.

Absent from this year's report were *Psychology Today* and *Mother Earth News*, ranked No. 160 and No. 204, respectively, in last year's report. Publication of the two magazines was suspended in 1990 by New American Magazine Co. The publisher this month found a buyer in Sussex Publishers. A fall revival is planned.

Publication ceased for five magazines ranked in last year's report, led by VNU's *Personal Computing*, No. 90 at $46.4 million. Others were Family Media's *Savvy Woman*, ranked No. 215 by 1989 revenues; Goldhirsh Group's *Business Month*, No. 272; Cap Cities/ABC's *MISWeek*, No. 285; and Advance Publications' *Woman*, No. 289.

Three publications in this year's ranking bear the imprint of merged partners in 1990: *TV Entertainment* was merged into No. 27 *Cable Guide*; International Data Group folded *PCResources* into *PC World*, No. 66; and *M inc.*, No. 263, got its new name from a union of *M, The Civilized Man* and *Manhattan, inc.*

Joint venture deals continued. Cahners Publishing Co. and Ziff Communications formed Cahners/Ziff Computer Publications Ltd. to publish existing titles: No. 146 *Datamation* and *Systems Integration* (a non-Magazine 300) from Cahners and No. 223 *Digital Review* and No. 262 *Government Computer News* from Ziff.

The depressed ad market has made magazine titles in general cheaper to buy.

The biggest deal in several years was concluded last week when K-III Holdings paid Murdoch Magazines $600 million for No. 50 *Soap Opera Digest*, No. 53 *Seventeen*, No. 61 *New York Magazine*, No. 130 *Automobile*, No. 152 *Premiere* and No. 173 *European Travel & Life*. The purchase also included *The Daily Racing Form* and *Soap Opera Weekly*.

Reed International, through Cahner's Publishing Co., purchased No. 277 *Sail* from Meredith Corp. and *Broadcasting* from Times Mirror Co. *Broadcasting*, ranked No. 277 in the prior year, dipped below the cutoff in 1990.

Affiliated Publications' BPI Communications group purchased 80% of A/S/M giving it No. 165 *Adweek*. *Chicago*, No. 272, was sold by Adams Communications to Landmark Communications. No. 260 *Travel Agent* was sold by Cap Cities/ABC to a partnership headed by Richard Friese, publisher of *Unique Homes*, No. 265.

Apparently waiting in the wings for next year's list is *PC Sources*, a monthly aimed at new computer buyers. Launched in October 1990 by Ziff Communications' Coastal Associates unit, the premiere issue drew 418 ad pages, and subsequent issues have carried at least 350 pages. □

WHAT WOULD YOU CALL A PUBLICATION THAT DELIVERS MORE MANAGERS WHO BUY PCS THAN THE BUSINESS BOOKS?

Top 15 magazines by ad revenues

Rank	Magazine	1990 ad revenues	1989 ad revenues	% chg	1990 ad pages	1989 ad pages
1	Time	$381.9	$373.4	2.3	2,727.93	2,733.86
2	Parade	355.2	314.5	12.9	740.45	717.86
3	People	345.8	326.2	6.0	3,625.78	3,770.81
4	Sports Illustrated	335.7	336.7	(0.3)	2,672.38	2,981.90
5	TV Guide	320.3	323.0	(0.8)	2,966.02	3,255.13
6	Newsweek	253.3	255.9	(1.0)	2,302.04	2,495.29
7	Business Week	245.9	260.6	(5.6)	4,407.02	4,914.15
8	PC Magazine	189.6	145.2	30.6	6,856.31	5,790.57
9	Forbes	169.5	157.7	7.5	3,939.25	3,905.84
10	Good Housekeeping	163.2	148.0	10.3	1,740.35	1,702.09
11	Fortune	161.8	167.3	(3.3)	3,360.17	3,775.00
12	U.S. News & World Report	159.3	152.8	4.2	2,010.93	2,053.17
13	Better Homes & Gardens	143.5	152.4	(5.8)	1,266.98	1,428.69
14	Family Circle	137.3	152.2	(9.8)	1,684.85	2,018.81
15	Cosmopolitan	129.9	125.7	3.3	2,156.50	2,352.21

Notes: Dollars are in millions. Figures are AA estimates

AA chart: Kevin Brown

Top 15 magazines by ad revenue growth

Rank	Magazine	1990 ad revenues	1989 ad revenues	% chg	1990 ad pages	1989 ad pages
1	Bridal Guide	9.9	4.0	144.7	1,426.00	641.00
2	VarBusiness	14.4	7.2	100.6	1,434.11	1,046.21
3	Decorating Remodeling	10.0	5.1	97.8	427.23	225.39
4	Easyriders	3.7	2.1	79.5	340.90	280.70
5	Automobile	19.8	11.2	76.8	790.30	726.00
6	LAN TIMES	15.0	8.7	72.9	1,514.84	1,026.54
7	Child	8.3	4.9	69.8	576.14	522.46
8	PC Computing	27.4	16.4	67.7	1,952.92	1,737.25
9	Financial World	24.5	15.1	62.2	973.83	741.19
10	Practical Homeowner	6.9	4.5	54.5	418.14	312.90
11	Cooking Light	7.0	4.7	49.2	382.80	348.35
12	Parenting	14.9	10.0	48.3	837.71	732.19
13	Billboard	20.7	14.0	47.9	2,500.00	2,500.00
14	Victoria	12.2	8.3	45.9	600.22	417.87
15	Golf Illustrated	8.2	4.8	41.9	558.74	499.56

Notes: Dollars are in millions. Figures are AA estimates

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Methodology

The Magazine 300 participants emerged from a list of 450 magazines on which *Advertising Age* collected advertising and circulation data to determine gross revenues, the basis of the rankings in this report.

Most ad revenues were obtained from the ad monitoring services listed below.

If unmonitored, the magazine's ad revenues were determined by multiplying total ad pages by the one-time b&w rate, an industry standard. Most unmonitored magazines readily volunteered ad pages. This equation was not used if there was a monitored figure.

Circulation revenues were the sum of subscription and newsstand gross revenues. Subscription revenues were the product of paid subscriptions × subscription price. Single copy sales × price per issue × frequency determined newsstand gross revenues. However, where a magazine is published by an association, circulation revenues included only the portion of membership fee accorded the magazine.

Newspaper-distributed magazines were not credited with circulation revenues.

Publishers were contacted to verify the data and were allowed revisions.

Ad monitoring sources

Publishers Information Bureau monitors 175 consumer publications; MMS-Rome Reports was the primary source for data on 690 business-to-business publications; AdScope Inc. covers 65 computer magazines; Patterson Advertising Reports follows 166 trade and consumer magazines; PERQ Research Corp. tracks 450 magazines in the healthcare industry; Media Industry Newsletter, a leading source for regional city publications, prepares a monthly report on ad pages and revenue for consumer magazines; *Ad Age's* Consumer Linage Report is a monthly compilation of ad pages volunteered by publishers of 350 magazines.

Circulation services

Audit Bureau of Circulations' Fas-Fax Report for Dec. 31, 1990, provided most circulation data for consumer publications.

Business Publications Audit of Circulation was another source for trade publications. Annual subscription price and single-issue prices for corresponding years were obtained from Standard Rate & Data Service or the publisher. ❑

Top magazines by ad pages

Rank	Magazine	Advertising pages 1990	1989	% chg	One-time black & white page cost 1990	1989	% chg
Consumer magazines by ad pages							
1	Hemmings Motor News	10,320.00	9,180.00	12.4	$1,021	$945	8.0
2	Business Week	4,407.02	4,914.15	(10.3)	45,205	41,895	7.9
3	Forbes	3,939.25	3,905.84	0.9	29,970	28,170	6.4
4	New York Times Magazine	3,730.48	4,036.00	(7.6)	26,875	24,885	8.0
5	People	3,625.78	3,770.81	(3.8)	58,560	54,325	7.8
6	Chronicle of Higher Education	3,442.00	2,954.00	16.5	4,525	4,270	6.0
7	Fortune	3,360.17	3,775.00	(11.0)	32,460	30,200	7.5
8	Bride's	3,172.57	3,358.86	(5.5)	21,290	19,710	8.0
9	TV Guide	2,966.02	3,255.13	(8.9)	95,900	88,900	7.9
10	Vogue	2,965.86	3,321.86	(10.7)	29,870	23,620	26.5
11	Time	2,727.93	2,733.86	(0.2)	77,010	77,010	0.0
12	Sports Illustrated	2,672.38	2,981.90	(10.4)	65,230	61,250	6.5
13	New York	2,657.54	3,094.86	(14.1)	16,570	15,340	8.0
14	Economist	2,643.82	2,355.00	12.3	7,460	6,500	14.8
15	Modern Bride	2,576.13	2,491.71	3.4	20,670	18,040	14.6
Consumer magazines by ad page growth							
1	Playgirl	514.29	223.10	130.5	3,500	7,000	(50.0)
2	Bridal Guide	1,426.00	641.00	122.5	6,930	6,300	10.0
3	Decorating Remodeling	427.23	225.39	89.6	17,400	15,580	11.7
4	Victoria	600.22	417.87	43.6	17,100	15,660	9.2
5	Alfred Hitchcock & Ellery Queen	85.00	63.00	34.9	4,560	4,560	0.0
6	Practical Homeowner	418.14	312.90	33.6	9,890	9,000	9.9
7	Sesame Street Magazine	269.39	202.00	33.4	31,970	30,866	3.6
8	National Geographic Traveler	260.51	199.77	30.4	17,300	17,300	0.0
9	YM	557.00	455.00	22.4	12,750	11,180	14.0
10	Easyriders	340.90	280.70	21.4	10,900	7,373	47.8
11	Audubon	265.00	225.00	17.8	10,045	9,175	9.5
12	Popular Photography	1,296.00	1,101.29	17.7	44,880	32,625	37.6
13	USA: Magazine	785.50	672.40	16.8	17,000	14,530	17.0
14	Chronicle of Higher Education	3,442.00	2,954.00	16.5	4,525	4,270	6.0
15	Spin	569.19	494.64	15.1	7,650	5,950	28.6
Trade magazines by ad pages							
1	Computer Shopper	7,008.26	5,997.03	16.9	$6,300	$5,295	19.0
2	PC Magazine	6,856.31	5,790.57	18.4	25,185	21,995	14.5
3	CRN/Computer Reseller News	6,410.65	6,345.11	1.0	7,725	6,240	23.8
4	EDN	5,618.00	6,195.06	(9.3)	6,375	6,375	0.0
5	PC Week	5,345.13	4,877.01	9.6	15,895	14,790	7.5
6	Travel Weekly	4,866.42	5,223.39	(6.8)	8,010	7,630	5.0
7	Electronic Engineering Times	4,620.66	5,239.56	(11.8)	8,460	7,690	10.0
8	HFD-The Weekly Home Furnishings	4,308.00	4,249.30	1.4	8,470	7,910	7.1
9	TravelAge magazines	4,286.00	4,498.00	(4.7)	5,690	4,750	19.8
10	Computerworld	3,967.73	4,180.90	(5.1)	16,800	15,000	12.0
11	Restaurants & Institutions	3,766.87	3,997.00	(5.8)	10,150	9,850	3.0
12	Design News	3,643.00	3,914.00	(6.9)	6,915	6,375	8.5
13	InfoWorld	3,593.00	3,340.00	7.6	14,475	12,370	17.0
14	Tour & Travel News	3,498.78	3,114.83	12.3	5,790	4,635	24.9
15	BYTE	3,156.00	3,166.20	(0.3)	13,620	11,840	15.0
Trade magazines by ad page growth							
1	LAN TIMES	1,514.84	1,026.54	47.6	$7,250	$6,300	15.1
2	VarBusiness	1,434.11	1,046.21	37.1	8,175	5,995	36.4
3	Financial World	973.83	741.19	31.4	19,995	17,600	13.6
4	Datamation	1,870.26	1,545.00	21.1	12,280	11,475	7.0
5	Publish	928.94	768.75	20.8	7,835	6,885	13.8
6	MacUser	2,594.85	2,185.16	18.7	12,950	9,550	35.6
7	PC Magazine	6,856.31	5,790.57	18.4	25,185	21,995	14.5
8	Computer Shopper	7,008.26	5,997.03	16.9	6,300	5,295	19.0
9	InformationWeek	1,814.95	1,574.58	15.3	13,440	10,500	28.0
10	Network World	1,853.71	1,634.95	13.4	10,115	8,950	13.0
11	PC Computing	1,952.92	1,737.25	12.4	12,170	8,110	50.1
12	Tour & Travel News	3,498.78	3,114.83	12.3	5,790	4,635	24.9
13	Flying	699.26	628.58	11.2	12,560	12,560	0.0
14	MacWeek	2,743.05	2,471.26	11.0	5,995	5,150	16.4
15	Digital News	1,314.24	1,188.09	10.6	7,995	6,720	19.0

Notes: Dollars are as shown. Full-year data for both years required for growth rankings.

AA Chart: Kathy Welyki.

Top SRDS magazine categories by total 1990 revenues

Rank	Category	Total revenues	'90-'89 % chg	Mags in 300
Consumer classifications				
1	News, weeklies (36A)	$3,590.3	2.1	10
2	General editorial (22)	2,483.6	5.2	24
3	Women's (49)	2,399.4	1.7	33
4	Home service & home (24)	1,114.7	3.7	22
5	Business & finance (8)	999.4	1.8	13
6	Women's/men's fashions (50)	516.2	2.9	5
7	Men's (30)	485.0	1.5	7
8	Sports (45)	464.2	5.6	14
9	Automotive (3)	349.3	2.3	10
10	Travel (46)	305.9	8.6	8
11	Newspaper distributed Sunday mags (38)	222.3	(1.2)	5
12	Fishing & hunting (19)	207.3	4.8	7
13	Music (33)	185.8	3.2	4
14	Science, technology (43)	169.5	(2.0)	4
15	Metropolitan entertainment (30B)	135.9	10.4	1
16	Brides, bridal (7)	129.7	8.1	3
17	Mature market (28A)	121.0	4.5	2
18	Hea[illegible]	116.8	(12.4)	3
19	Epicurean (18)	95.9	2.4	2
20	Metropolitan/regional/state (30A)	93.6	3.5	6
Business classifications				
1	Automatic data systems (5A)	1,033.3	21.2	24
2	Electronic engineering (40)	150.5	(2.6)	6
3	Travel, retail (149B)	109.8	5.5	4
4	Restaurants & food service (127)	101.3	3.8	4
5	Nursing & health (H7)	82.7	16.1	3
6	Financial (46)	73.3	15.6	2
7	Diversified farming & farm home (F2)	66.1	(2.6)	4
8	Building (19)	59.0	13.3	2
9	Advertising & marketing (1)	58.9	(2.7)	2
10	Aviation & aerospace (7)	54.9	(1.1)	2
11	Medical & surgical (H6)	54.9	(13.2)	2
12	Science, research & development (132A)	52.3	6.5	2
13	Product design engineering (120)	49.9	(7.0)	2
14	Home furnishings (63B)	48.4	1.9	1
15	Travel, business conventions & meetings (149A)	37.5	9.4	2

Notes: Dollars are in millions. Figures are AA estimates and include only magazines in top 300.

WHAT WOULD YOU CALL A PUBLICATION THAT REACHES MORE MIS PROFESSIONALS THAN MIS PUBLICATIONS?

Top 15 magazines by circulation revenues

Rank	Magazine	1990 circulation revenues	1989 circulation revenues	% chg	1990 subscription revenues	1990 newsstand revenues
1	TV Guide	$595.0	$605.4	(1.7)	$326.7	$268.3
2	Reader's Digest	327.5	305.6	7.2	306.3	21.1
3	People	296.6	282.9	4.9	110.9	185.7
4	Time	254.3	262.7	(3.2)	226.5	27.7
5	Sports Illustrated	215.4	229.9	(6.3)	200.2	15.2
6	National Geographic	211.4	192.9	9.6	211.4	0.0
7	National Enquirer	162.6	174.9	(7.1)	11.5	151.1
8	Newsweek	149.5	141.9	5.4	124.5	25.1
9	Star Magazine	148.6	145.8	1.9	17.1	131.5
10	Better Homes & Gardens	131.9	123.3	7.0	119.9	12.1
11	Playboy	118.8	108.1	9.9	80.1	38.7
12	Cable Guide	106.4	89.3	19.2	106.4	0.0
13	Ladies' Home Journal	103.1	101.5	1.5	80.6	22.5
14	Family Circle	102.9	97.1	6.0	38.0	65.0
15	Consumer Reports	98.4	84.1	17.0	94.2	4.1

Notes: Dollars are in millions. Figures are AA estimates.

Top 15 magazines by circulation revenue growth

Rank	Magazine	1990 circulation revenues	1989 circulation revenues	% chg	1990 subscription revenues	1990 newsstand revenues
1	LAN TIMES	$0.099	$0.032	211.7	$0.099	$0.0
2	Power & Motoryacht	1.3	0.5	135.3	1.3	0.0
3	InformationWeek	0.148	0.182	80.8	0.148	0.0
4	Child	6.9	3.9	77.8	6.7	0.1
5	Datamation	0.3	0.1	75.0	0.3	0.0
6	Spin	7.4	4.4	67.7	3.4	3.9
7	YM	18.6	11.5	62.3	13.8	4.8
8	Insight	18.1	11.8	53.6	18.1	0.0
9	Compute!	7.4	4.9	50.2	6.1	1.3
10	Decorating Remodeling	7.9	5.5	44.0	4.5	3.4
11	Black Enterprise	5.1	3.6	40.2	4.7	0.3
12	Harvard Business Review	15.5	11.3	37.4	15.1	0.4
13	Saturday Evening Post	10.7	8.1	33.0	9.9	0.8
14	Cooking Light	11.45	8.6	33.0	10.0	1.5
15	Southern Accents	6.7	5.2	32.7	5.5	1.2

Notes: Dollars are in millions. Figures are AA estimates. Ranking requires full-year data for both years.

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Meredith CORPORATION

Top magazines by circulation

Rank	Magazine	Total paid circulation 1990	Total paid circulation 1989	Subscribers 1990	Subscribers 1989	Single copy sales 1990	Single copy sales 1989
	Consumer magazines						
1	Parade	35,092,000	33,354,000	NA	NA	NA	NA
2	Modern Maturity	22,430,894	21,430,990	22,430,894	21,430,990	0	0
3	Reader's Digest	16,264,547	16,343,599	15,371,047	15,419,265	893,500	924,334
4	TV Guide	15,604,267	15,867,750	8,725,551	8,641,201	6,878,716	7,226,549
5	USA Weekend	15,526,893	15,062,038	NA	NA	NA	NA
6	National Geographic	10,189,783	10,890,660	10,101,416	10,803,286	88,287	87,374
7	Cable Guide	8,867,193	7,437,698	8,867,193	7,437,698	0	0
8	Better Homes & Gardens	8,007,222	8,005,311	7,491,389	7,429,478	515,833	575,833
9	Family Circle	5,431,779	5,461,786	2,375,087	1,623,695	3,056,692	3,838,091
10	Good Housekeeping	5,152,521	5,152,245	3,732,831	3,640,720	1,419,690	1,511,525
	Trade magazines						
1	Real Estate Today	795,449	777,058	795,449	777,058	0	0
2	PC Magazine	786,041	732,409	655,901	604,918	130,140	127,491
3	PC Computing	598,229	471,642	523,351	406,604	74,878	65,038
4	PC World	576,442	526,064	475,834	432,211	100,608	87,853
5	Financial World	504,020	442,042	500,641	438,073	3,379	3,969
6	BYTE	482,456	461,124	350,570	326,300	131,886	134,824
7	ABA Journal	383,076	373,675	383,076	373,675	0	0
8	Compute!	355,233	211,794	305,666	165,795	49,567	45,999
9	Computer Shopper	333,233	291,528	137,862	118,995	195,361	172,533
10	Flying	327,890	321,662	264,340	252,212	63,550	69,450

IF YOU THOUGHT PARK BENCHES WERE ST. PETERSBURG'S MOST POPULAR SEATS...

You'd better sit down for this.

While St. Petersburg — and the entire Tampa Bay area — was once considered a sleepy place, full of retirees, this is no longer true. In fact, the volume of new, young residents arriving in the St. Petersburg area has lowered the city's median age by nearly eight years since 1980.

So it's not surprising that some of the best seats in town are now those in Tampa Bay's performing arts centers. Thousands of people enjoy the area's diverse cultural offerings, including the world-renowned Salvador Dali Museum, the Florida Orchestra, dozens of art galleries, and a wide variety of professional dance and theater groups.

And it's not surprising either that Tampa Bay keeps up with the Times. The St. Petersburg Times, Tampa Bay's largest newspaper, beats the Tampa Tribune in circulation by more than 75,000 papers daily and nearly 77,500 on Sunday.*

So sit up and take notice of Tampa Bay. Call 1-800-333-7505 for the latest information on this thriving market and the newspaper that serves it best.

*Source: ABC Audit Reports for 12 months ending 12/31/89.

St. Petersburg Times
Tampa Bay's Largest Newspaper

Top parent companies of magazines in 300

Rank 1990	Rank 1989	Company, headquarters	Total revenues	'90-'89 % chg	Ad revenues	Ad pages	Subscriber revenues	Single copy revenues	Mags in top 300	Top magazine by total revenues	Total mag revenues
1	1	**Time Warner**, New York	$2,593.6	2.9	$1,518.0	20,378.20	$792.3	$283.4	13	People	$642.4
2	2	**Advance Publications**, Newark, N.J.	1,211.8	7.2	963.1	20,957.19	116.0	132.7	12	Parade	355.2
3	3	**Hearst Corp.**, New York	1,025.8	3.4	631.2	14,541.37	223.4	171.3	13	Good Housekeeping	259.8
4	4	**News Corp.**, Sydney	942.4	(0.1)	336.8	4,054.30	331.9	273.8	2	TV Guide	915.3
5	5	**New York Times Co.**, New York	704.8	2.2	447.8	9,430.23	173.4	83.6	7	Family Circle	240.2
6	6	**Meredith Corp.**, Des Moines	635.7	2.6	330.7	5,817.37	257.5	47.4	8	Better Homes & Gardens	275.5
7	7	**Hachette Publications**, Paris	584.7	(5.4)	377.7	12,792.07	104.6	102.4	11	HOME	35.0
8	8	**Reader's Digest Association**, Pleasantville, N.Y.	515.1	1.5	140.5	2,597.88	351.0	23.6	5	Reader's Digest	436.1
9	14	**Ziff Communications**, New York	501.5	26.2	427.9	26,500.52	53.5	20.1	6	PC Magazine	227.5
10	9	**McGraw-Hill**, New York	442.7	(1.8)	370.8	17,928.08	62.9	9.0	7	Business Week	283.8
11	10	**Washington Post Co.**, Washington	422.8	0.2	273.3	3,577.54	124.5	25.1	2	Newsweek	402.8
12	13	**Reed International**, London	421.8	5.3	397.7	41,271.23	14.5	9.6	16	Travel Weekly	53.4
13	11	**Times Mirror Co.**, Los Angeles	402.0	(2.9)	216.3	9,154.82	163.7	22.0	10	Field & Stream	68.3
14	12	**Macfadden Holdings**, New York	395.6	(4.2)	72.4	2,441.67	37.0	286.3	3	National Enquirer	206.4
15	15	**K-III Holdings**, New York	335.9	3.5	157.2	7,350.82	84.7	94.0	7	Soap Opera Digest	74.9
16	19	**International Data Group**, Framingham, Mass.	280.9	16.7	241.9	16,550.24	32.0	6.9	7	Computerworld	82.6
17	17	**National Geographic Society**, Washington	279.4	9.0	40.4	572.24	238.9	0.0	3	National Geographic	246.9
18	16	**U.S. News & World Report**, Washington	275.8	5.2	171.3	2,713.13	95.0	9.6	2	U.S. News & World Report	256.1
19	18	**Petersen Publishing Co.**, Los Angeles	248.1	1.8	121.7	7,226.61	81.3	45.1	9	Motor Trend	55.4
20	23	**CMP Publications**, Manhasset, N.Y.	211.0	14.5	210.9	24,317.69	0.1	0.0	8	Electronic Engineering	44.1
21	20	**Forbes Inc.**, New York	207.5	6.1	169.5	3,939.25	33.8	4.3	1	Forbes	207.5
22	21	**General Media**, New York	187.3	(2.7)	59.8	2,878.62	37.0	90.5	4	Penthouse	115.0
23	25	**Capital Cities/ABC**, New York	180.5	4.1	149.5	13,744.23	27.0	4.0	8	HFD-The Weekly Home	48.4
24	22	**Straight Arrow Publishers**, New York	178.3	(4.9)	96.9	2,690.76	46.1	35.3	2	Rolling Stone	118.7
25	24	**Family Media**, New York	174.5	(1.3)	56.7	2,699.48	108.8	9.0	6	1,001 Home Ideas	55.5
26	26	**Playboy Enterprises**, Chicago	166.6	7.8	47.8	720.70	80.1	38.7	1	Playboy	166.6
27	28	**American Express Co.**, New York	143.5	6.2	87.7	3,562.31	53.7	2.2	3	Travel & Leisure	92.2
28	29	**Bauer Publishing Co.**, Englewood Cliffs, N.J.	140.2	6.7	14.3	565.00	0.0	125.9	2	Woman's World	88.8
29	27	**Rodale Press**, Emmaus, Pa.	139.7	1.1	50.7	2,463.18	75.1	13.9	4	Prevention	70.1
30	31	**TVSM**, Horsham, Pa.	135.9	10.4	29.5	336.27	106.4	0.0	1	Cable Guide	135.9
31	30	**Knapp Communications Corp.**, Los Angeles	134.4	3.8	80.4	2,866.00	44.0	10.0	2	Architectural Digest	75.7
32	32	**Johnson Publishing Co.**, Chicago	126.0	3.1	55.8	2,124.26	54.0	16.2	2	Ebony	68.8
33	33	**Gruner & Jahr Publications**, New York	124.9	7.2	70.9	2,044.01	45.6	8.5	2	Parents	95.0
34	35	**Gannett Co.**, Arlington, Va.	119.0	14.6	119.0	685.51	0.0	0.0	1	USA Weekend	119.0
35	34	**Crain Communications**, Chicago	110.8	4.1	86.9	9,948.20	22.9	1.0	5	Advertising Age	35.1
36	37	**American Association of Retired Persons**, Lakewood, Calif.	105.1	6.3	51.3	227.42	53.8	0.0	1	Modern Maturity	105.1
37	36	**Lang Communications**, New York	104.6	3.9	60.1	2,445.82	38.0	6.5	4	Working Woman	49.0
38	38	**Globe Communications Corp.**, Boca Raton, Fla.	100.2	5.5	11.2	1,555.16	1.6	87.4	3	Globe	49.3
39	41	**Consumers Union of U.S.**, Mt. Vernon, N.Y.	98.4	17.0	0.0	0.00	94.2	4.1	1	Consumer Reports	98.4
40	39	**Smithsonian Institution**, Washington	85.9	(5.3)	41.0	947.30	44.4	0.5	1	Smithsonian	85.9
41	40	**Pittway Corp.**, Northbrook, Ill.	83.1	(5.9)	83.0	9,881.74	0.1	0.0	5	Machine Design	21.0
42	42	**Weider Publications**, Woodland Hills, Calif.	75.4	(1.4)	33.3	1,917.61	8.9	33.3	2	Muscle & Fitness	49.0

Notes: Dollars are in millions. All figures are AA estimates. Totals reflect only magazines in the Ad Age 300. Ranking in 1989 represents prior-year figures from same magazines comprising 1990 rankings.

Lowest CPM for consumer and trade magazines among Ad Age's top 300

Rank	Magazine	CPM 1990	CPM 1989	1-time b&w page cost 1990	1-time b&w page cost 1989	Paid & non-paid circ. 1990	Paid & non-paid circ. 1989
Consumer magazines							
1	Hemmings Motor News	$3.38	$3.15	$1,021	$945	301,961	299,579
2	Cable Guide	5.72	6.42	52,300	49,300	9,135,693	7,683,865
3	TV Guide	6.15	5.60	95,900	88,900	15,604,267	15,867,750
4	Reader's Digest	6.38	6.16	103,720	100,700	16,264,547	16,343,599
5	American Legion Magazine	7.07	7.00	20,945	19,850	2,964,405	2,835,922
6	Modern Maturity	8.23	7.11	185,010	154,330	22,480,986	21,699,375
7	Playgirl	8.24	12.16	3,500	7,000	425,000	575,500
8	Star Magazine	9.00	7.83	30,950	28,255	3,439,694	3,610,395
9	National Examiner	9.18	7.80	7,390	6,972	805,307	893,956
10	Prevention	9.56	8.83	29,585	27,910	3,093,897	3,161,788
11	Parade	9.74	9.28	341,800	309,500	35,092,000	33,354,000
12	National Enquirer	9.83	8.44	37,430	34,660	3,809,411	4,106,796
13	USA Weekend	9.85	9.41	153,000	141,750	15,526,893	15,062,038
14	Globe	10.23	9.10	12,285	12,099	1,200,484	1,329,413
15	Woman's World	10.28	8.80	15,473	13,800	1,505,312	1,566,544
Trade/business magazines							
1	Compute!	$17.37	$25.17	$6,610	$6,610	380,541	262,571
2	Computer Shopper	18.91	18.16	6,300	5,295	333,236	291,528
3	Real Estate Today	20.34	19.79	16,200	15,400	796,641	778,262
4	PC Computing	20.34	17.20	12,170	8,110	598,229	471,642
5	ABA Journal	27.62	27.65	11,475	11,250	415,472	406,801
6	BYTE	28.23	25.68	13,620	11,840	482,456	461,124
7	PC World	28.62	28.66	16,500	15,075	576,442	520,064
8	Industrial Equipment News	29.08	26.96	6,240	5,780	214,559	214,371
9	New Equipment Digest	29.77	27.66	6,343	5,895	213,098	213,100
10	PC Magazine	32.04	30.03	25,185	21,995	786,041	732,409
11	Science	33.89	31.88	5,200	4,960	153,454	155,598
12	Electronic Design	35.88	42.09	5,945	6,555	165,696	155,749
13	Machine Design	35.98	30.03	6,485	5,425	180,619	180,640
14	Flying	36.42	37.28	12,560	12,560	344,898	336,887
15	Macworld	37.94	38.15	14,995	12,995	395,224	340,641

Notes: Dollars are as shown. All figures are AA estimates. See Page S-10 for methodology.

WHAT WOULD YOU CALL A PUBLICATION THAT DELIVERS MORE COMPUTER RESELLERS THAN RESELLER BOOKS?

Top 300 magazines by 1990 gross revenues

Rank 1990	Rank 1989	Magazine, headquarters	Total revenues	'90-'89 % chg	Ad revenues	Ad pages	Subscriber revenues	Newsstand revenues	Paid circulation	Parent company	Telephone
226	235	**Black Enterprise**, New York	17.198	16.3	12.1	908.21	4.7	0.3	251,983	Earl G. Graves Publishing Co.	(212) 242-8000
227	269	**Easyriders**, Agoura Hills, Calif.	17.031	30.6	3.7	340.90	2.4	10.9	327,122	Paisano Publications Inc.	(818) 889-8740
228	234	**Successful Meetings**, New York*	17.023	14.1	17.0	1,766.56	0.0	0.0	677	Bill Communications	(212) 986-4800
229	236	**Wood**, New York	16.955	14.9	4.7	250.58	9.4	2.8	562,000	Meredith Corp.	(515) 284-3000
230	214	**Colonial Homes**, New York	16.937	(1.1)	7.2	305.97	6.3	3.5	612,379	Hearst Corp.	(212) 830-2900
231	223	**Success**, New York	16.810	5.0	7.8	399.79	7.9	1.1	455,368	Hal Holdings	(212) 551-9500
232	242	**Outside**, Chicago	16.671	14.5	9.7	792.20	4.7	2.2	325,170	Mariah Publications	(312) 951-0990
233	190	**Successful Farming**, Des Moines	16.646	(13.4)	10.7	579.00	6.0	0.0	498,422	Meredith Corp.	(515) 284-3000
234	232	**Consumers Digest**, Chicago	16.510	9.5	2.6	163.99	13.1	0.8	873,704	Consumers Digest Inc.	(312) 275-3590
235	188	**Tennis Illustrated (fmly World Tennis)**, New York	16.476	(14.4)	8.0	396.85	7.6	0.9	512,373	Family Media	(212) 779-6200
236	222	**Four Wheeler**, New York	16.453	1.9	8.1	1,004.26	3.7	4.7	399,262	General Media	(212) 496-6100
237	212	**Video Review**, New York	16.431	(5.5)	9.3	638.00	5.5	1.6	398,649	Viare Publishing	(212) 477-2200
238	229	**California**, Los Angeles	16.373	6.7	12.0	809.88	4.2	0.2	357,819	California Magazines Partnership	(213) 479-6511
239	208	**Audio**, New York	16.277	(7.7)	12.7	1,249.40	2.4	1.2	142,375	Hachette Publications	(212) 767-6331
240	249	**High Plains Journal**, Dodge City, Kan.	16.160	14.7	13.2	2,251.20	2.9	0.0	59,661	High Plain Publishers	(316) 227-7171
241	217	**New Choices for Best Years**, New York	15.960	(6.0)	6.7	334.47	9.3	0.0	580,392	Reader's Digest Association	(212) 366-8800
242	240	**American Legion Magazine**, Indianapolis	15.944	9.1	8.5	407.40	7.4	0.0	2,956,342	American Legion	(317) 635-8411
243	246	**Power & Motoryacht**, Stamford, Conn.	15.714	9.5	14.4	1,927.00	1.3	0.0	42,916	Reed International	(203) 323-3300
244	226	**Home Office Computing**, New York	15.636	0.2	8.3	562.94	6.5	0.9	350,056	Scholastic Inc.	(212) 505-3585
245	280	**Golf Illustrated**, New York	15.532	22.5	8.2	558.74	6.6	0.8	470,027	Family Media	(212) 779-6200
246	210	**Interior Design**, New York	15.416	(12.1)	12.4	2,532.00	2.3	0.7	56,611	Reed International	(212) 645-0067
247	374	**Bridal Guide**, New York	15.271	87.2	9.9	1,426.00	0.1	5.3	200,423	Globe Communications Corp.	(212) 949-4040
248	357	**Child**, New York	15.176	72.9	8.3	576.14	6.7	0.1	459,805	New York Times Co.	(212) 463-1319
249	358	**LAN TIMES**, Midvale, Utah	15.078	73.4	15.0	1,514.84	0.1	0.0	2,011	McGraw-Hill	(801) 565-1060
250	278	**Saturday Evening Post**, Indianapolis	15.068	18.3	4.4	317.16	9.9	0.8	540,321	Benjamin Franklin Literary	(317) 636-8881
251	219	**CSN/Computer Systems News**, Manhasset, N.Y.*	15.025	(10.1)	15.0	1,679.50	0.0	0.0	0	CMP Publications	(516) 562-5777
252	255	**Crain's Chicago Business**, Chicago	14.870	7.1	12.7	1,702.30	2.0	0.1	47,636	Crain Communications	(312) 649-5370
253	228	**Progressive Farmer**, Birmingham, Ala.	14.769	(3.9)	9.9	554.30	4.9	0.0	325,753	Time Warner	(205) 877-6000
254	416	**Country America**, New York	14.719	174.5	5.5	328.19	8.1	1.2	605,400	Meredith Corp.	(212) 557-6600
255	270	**Business Insurance**, New York	14.603	12.0	12.1	1,692.00	2.5	0.0	34,704	Crain Communications	(212) 210-0129
256	239	**Los Angeles**, Los Angeles	14.572	(0.5)	10.8	1,686.80	2.4	1.4	172,110	Capital Cities/ABC	(213) 557-7559
257	243	**National Geographic World**, Washington	14.556	0.3	0.0	0.00	14.6	0.0	1,302,166	National Geographic Society	(202) 857-7000
258	224	**Gallery**, New York	14.475	(8.7)	0.9	142.73	1.0	12.5	362,716	Montcalm Publishing Corp.	(212) 779-8900
259	394	**VarBusiness**, Manhasset, N.Y.*	14.408	100.6	14.4	1,434.11	0.0	0.0	0	CMP Publications	(516) 562-5767
260	251	**Travel Agent Magazine**, New York*	14.395	2.8	14.4	2,986.70	0.0	0.0	122	Universal Media Inc.	(212) 887-1900
261	267	**Air Force Times**, Springfield, Va.	14.285	8.6	9.1	1,888.50	4.0	1.3	94,738	Army Times Publishing Co.	(703) 750-2000
262	260	**Government Computer News**, Silver Spring, Md.*	14.283	5.3	14.3	1,466.91	0.0	0.0	0	Reed International	(301) 650-2000
263	261	**M inc.**, New York	14.227	6.2	9.8	810.40	3.2	1.2	210,852	Capital Cities/ABC	(212) 630-4833
264	291	**Southern Accents**, Birmingham, Ala.	14.206	20.9	7.5	751.16	5.5	1.2	250,594	Time Warner	(205) 877-6000
265	259	**Unique Homes**, New York	14.189	4.3	11.6	2,000.00	1.0	1.6	70,746	Unique Homes Magazine Inc.	(212) 503-3430
266	299	**LA Style**, New York	14.044	24.9	11.7	1,430.50	1.8	0.5	89,070	American Express Co.	(212) 382-5600
267	276	**Restaurant Hospitality**, Cleveland*	13.929	8.4	13.9	1,538.00	0.0	0.0	0	Pittway Corp.	(216) 696-7000
268	272	**Cycle**, Costa Mesa, Calif.	13.924	7.8	7.3	503.10	4.6	2.0	330,788	Hachette Publications	(714) 720-5300
269	252	**Trailer Life**, Agoura Hills, Calif.	13.840	(0.7)	8.1	1,129.20	5.0	0.7	300,073	TL Enterprises	(818) 991-4980
270	271	**Discount Store News**, New York*	13.712	5.3	13.2	1,262.63	0.5	0.0	7,095	Lebhar-Friedman Publications	(212) 371-9400
271	248	**Travel-Holiday**, New York	13.644	(3.5)	7.2	419.14	6.3	0.1	579,134	Reader's Digest Association	(212) 366-8700
272	230	**Chicago**, Chicago	13.627	(10.6)	9.5	1,137.40	3.5	0.7	200,917	Landmark Communciations	(312) 222-8999
273	284	**Alfred Hitchcock & Ellery Queen Mystery**, New York	13.522	8.7	0.4	85.00	12.3	0.8	413,233	Davis Publications	(212) 557-9100
274	256	**New Equipment Digest**, Cleveland*	13.485	(2.7)	13.5	2,126.00	0.0	0.0	0	Pittway Corp.	(216) 696-7000
275	262	**Playbill**, New York*	13.422	0.7	13.4	560.40	0.0	0.0	0	Playbill	(212) 557-5757
276	332	**Digital News**, Boston*	13.404	32.1	13.4	1,314.24	0.0	0.0	0	International Data Group	(617) 482-8470
277	258	**Sail**, Newton, Mass.	13.361	(2.9)	9.6	1,196.90	2.5	1.3	168,085	Reed International	(617) 964-3030
278	340	**USAir Magazine**, Greensboro, N.C.*	13.354	36.7	13.4	785.50	0.0	0.0	0	Pace Communications	(919) 378-6065
279	241	**Washingtonian**, Washington	13.349	(8.4)	9.9	1,568.30	2.1	1.4	164,586	Washington Magazine Co.	(202) 296-3600
280	265	**Yachting**, New York	13.309	0.3	10.2	1,623.93	2.1	1.1	133,119	Times Mirror Co.	(212) 779-5070
281	286	**Ranger Rick Magazine**, Washington	13.201	6.6	0.0	0.00	13.2	0.0	926,355	National Wildlife Federation	(703) 790-4343
282	264	**Modern Salon**, Lincolnshire, Ill.	13.138	(1.0)	10.9	1,401.00	2.2	0.0	113,994	Vance Publishing Corp.	(708) 634-2600
283	275	**Real Estate Today**, Chicago	13.120	1.9	5.1	267.08	8.0	0.0	795,449	National Association of Realtors	(312) 329-8449
284	NA	**National Wildlife**, Washington	13.065	NA	0.0	0.00	13.1	0.0	972,133	National Wildlife Federation	(703) 790-4343
285	283	**RN**, Montvale, N.J.	13.025	4.3	4.1	716.04	8.9	0.0	254,719	Thomson Corp.	(201) 358-7460
286	305	**Publisher's Weekly**, New York	13.006	18.2	8.4	2,617.00	4.6	0.0	38,478	Reed International	(212) 645-0067
287	244	**Data Communications**, New York*	12.948	(10.5)	11.9	1,588.00	1.1	0.0	33,148	McGraw-Hill	(212) 512-6050
288	304	**Publish**, San Francisco	12.814	16.3	8.9	928.94	3.8	0.1	97,441	International Data Group	(415) 243-0600
289	279	**Workbasket**, Kansas City, Mo.	12.706	0.2	2.9	223.10	9.5	0.3	1,215,175	K.C. Publishing	(816) 531-5730
290	288	**Chemical Engineering**, New York	12.660	5.4	10.4	1,870.00	2.3	0.0	51,958	McGraw-Hill	(212) 512-4653
291	274	**Industrial Equipment News**, New York*	12.626	(1.9)	12.6	875.26	0.0	0.0	0	Thomas Publishing Co.	(212) 695-0500
292	371	**Spin**, New York	12.598	53.3	5.2	569.19	3.4	3.9	254,288	Camouflage Associates	(212) 633-8200
293	346	**Compute!**, New York	12.495	33.2	5.1	569.49	6.1	1.3	355,233	General Media	(919) 275-9809
294	294	**Navy Times**, Springfield, Va.	12.451	8.0	7.6	2,002.40	3.8	1.1	88,690	Army Times Publishing Co.	(703) 750-2000
295	292	**Petersen's Hunting**, Los Angeles	12.365	6.1	5.4	573.00	5.4	1.6	350,667	Petersen Publishing Co.	(213) 854-2133
296	273	**Electronic Component News (ECN)**, Radnor, Pa.	12.347	(4.2)	12.3	2,116.00	0.0	0.0	0	Capital Cities/ABC	(215) 964-4341
297	318	**Sassy**, New York	12.263	16.9	2.5	289.00	6.6	3.2	544,164	Lang Communications	(212) 764-4860
298	323	**Progressive Grocer**, Stamford, Conn.*	12.261	18.8	12.3	1,010.87	0.0	0.0	0	Maclean Hunter	(203) 325-3500
299	268	**Electronic News**, Radnor, Pa.	12.161	(7.4)	10.8	1,543.48	1.4	0.0	34,300	Capital Cities/ABC	(215) 964-4341
300	310	**Audubon**, New York	12.057	11.3	2.7	265.00	9.2	0.1	468,529	National Audubon Society	(212) 546-9123

Notes: Dollars are in millions. All revenue figures are gross and represent AA estimates. See Page S-10 for sources and methodology. *Majority controlled-circulation publication

Alphabetical index of top 300 magazines

SRDS code	Magazine, location, parent	Rank
24 C	**1,001 Home Ideas**, New York, Family Media	71
3 C	**4-Wheel**, Los Angeles, Petersen Publishing Co.	216
80 T	**ABA Journal**, Chicago, American Bar Association	158
1 T	**Advertising Age**, Chicago, Crain Communications	119
[illegible]	**Adweek network**, New York, Affiliated Publications	165
31 C	**Air Force Times**, Springfield, Va., Army Times Publishing Co.	261
34 C	**Alfred Hitchcock & Ellery Queen Mystery**, New York, Davis Publications	273
5 C	**American Baby**, New York, Reed International	192
10 T	**American Banker**, New York, Thomson Corp.	142
23 C	**American Health**, New York, Reader's Digest Association	193
22 C	**American Legion Magazine**, Indianapolis, American Legion	242
1 C	**American Way**, Fort Worth, Texas, AA Publications	161
24 C	**Architectural Digest**, Los Angeles, Knapp Communications Corp.	48
31 C	**Army Times**, Springfield, Va., Army Times Publishing Co.	212
22 C	**Atlantic**, Boston, Mortimer Zuckerman	201
33 C	**Audio**, New York, Hachette Publications	239
35 C	**Audubon**, New York, National Audubon Society	300
3 C	**Automobile**, New York, K-III Holdings	130
6 T	**Automotive News**, Detroit, Crain Communications	199
3 C	**AutoWeek**, Detroit, Crain Communications	150
7 T	**Aviation Week & Space Technology**, New York, McGraw-Hill	122
8 C	**Barron's**, New York, Dow Jones & Co.	75
19 C	**Bassmaster**, Montgomery, Ala., B.A.S.S. Publications	191
24 C	**Better Homes & Gardens**, New York, Meredith Corp.	9
45 C	**Bicycling**, Emmaus, Pa., Rodale Press	174
99 T	**Billboard**, New York, Affiliated Publications	127
8 C	**Black Enterprise**, New York, Earl G. Graves Publishing Co.	226
6 C	**Boating**, New York, Hachette Publications	197
18 C	**Bon Appetit**, Los Angeles, Knapp Communications Corp.	67
38 C	**Boston Globe Magazine**, Boston, Affiliated Publications	218
51 C	**Boys' Life**, Irving, Texas, Boy Scouts of America	181
7 C	**Bridal Guide**, New York, Globe Communications Corp.	247
7 C	**Bride's**, New York, Advance Publications	59
19 T	**Builder**, Washington, Hanley-Wood Publications	134
72 T	**Business Insurance**, New York, Crain Communications	255
8 C	**Business Week**, New York, McGraw-Hill	8
5A T	**BYTE**, Peterborough, N.H., McGraw-Hill	65
30B C	**Cable Guide**, Horsham, Pa., TVSM	27
30A C	**California**, Los Angeles, California Magazines Partnership	238
3 C	**Car Craft**, Los Angeles, Petersen Publishing Co.	202
3 C	**Car & Driver**, New York, Hachette Publications	51
28 T	**Chemical Engineering**, New York, McGraw-Hill	290
28 T	**Chemical & Engineering News**, Westport, Conn., American Chemical Society	224
30A C	**Chicago**, Chicago, Landmark Communciations	272
38 C	**Chicago Tribune Magazine**, Chicago, Tribune Co.	128
49 C	**Child**, New York, New York Times Co.	248
16 C	**Chronicle of Higher Education**, Washington, Chronicle of Higher Education	183
24 C	**Colonial Homes**, New York, Hearst Corp.	230
142 T	**Communications Week**, Manhasset, N.Y., CMP Publications	140
5A T	**Computer Shopper**, New York, Coastal Associates	64
5A T	**Computerworld**, Framingham, Mass., International Data Group	44
5A T	**Compute!**, New York, General Media	293
46 C	**Conde Nast Traveler**, New York, Advance Publications	108
22 C	**Connoisseur**, New York, Hearst Corp.	196
22 C	**Consumer Reports**, Yonkers, N.Y., Consumers Union of U.S.	37
22 C	**Consumers Digest**, Chicago, Consumers Digest Inc.	234
49 C	**Cooking Light**, Birmingham, Ala., Time Warner	206
49 C	**Cosmopolitan**, New York, Hearst Corp.	18
24 C	**Country**, Greendale, Wis., Reiman Publications	209
22 C	**Country America**, New York, Meredith Corp.	254
24 C	**Country Home**, Des Moines, Meredith Corp.	126
24 C	**Country Living**, New York, Hearst Corp.	46
20A T	**Crain's Chicago Business**, Chicago, Crain Communications	252
5A T	**CRN/Computer Reseller News**, Manhasset, N.Y., CMP Publications	111
5A T	**CSN/Computer Systems News**, Manhasset, N.Y., CMP Publications	251
31A C	**Cycle**, Costa Mesa, Calif., Hachette Publications	268
5A T	**Data Communications**, New York, McGraw-Hill	287
5A T	**Datamation**, Newton, Mass., Reed International	146
24 C	**Decorating Remodeling**, New York, New York Times Co.	214
1 C	**Delta Sky**, North Miami, Fla., Halsey Publishing Co.	180
120 T	**Design News**, Newton, Mass., Reed International	136
5A T	**Digital News**, Boston, International Data Group	276
5A T	**Digital Review**, Boston, Reed International	223
35B T	**Discount Store News**, New York, Lebhar-Friedman Publications	270
43 C	**Discover**, New York, Family Media	107
31A C	**Easyriders**, Agoura Hills, Calif., Paisano Publications Inc.	227
22 C	**Ebony**, Chicago, Johnson Publishing Co.	54
8 C	**Economist**, New York, Economist Newspapers North America	100
40 T	**EDN**, Newton, Mass., Reed International	104
40 T	**Electronic Buyers' News**, Manhasset, N.Y., CMP Publications	176
40 T	**Electronic Component News (ECN)**, Radnor, Pa., Capital Cities/ABC	296
40 T	**Electronic Design**, Hasbouck Hts., N.J., Pittway Corp.	221
40 T	**Electronic Engineering Times**, Manhasset, N.Y., CMP Publications	99
40 T	**Electronic News**, Radnor, Pa., Capital Cities/ABC	299
50 C	**Elle**, New York, Hachette Publications	40
46 C	**Endless Vacation**, Indianapolis, Endless Vacation Publications	83
41 T	**EMR**, New York, McGraw-Hill	162
36A C	**Entertainment Weekly**, New York, Time Warner	95
8 C	**Entrepreneur**, Irvine, Calif., Entrepreneur Group	141
30 C	**Esquire**, New York, Hearst Corp.	78
49 C	**Essence**, New York, Essence Communication	106
46 C	**European Travel & Life**, New York, K-III Holdings	173
49 C	**Family Circle**, New York, New York Times Co.	13
24 C	**Family Handyman**, Minneapolis, Reader's Digest Association	132
2 F	**Farm Journal**, Philadelphia, Farm Journal Inc.	205
19 C	**Field & Stream**, New York, Times Mirror Co.	55
46 T	**Financial World**, New York, Financial World Partners	98
49 C	**First for Women**, Englewood Cliffs, N.J., Bauer Publishing Co.	80
7 T	**Flying**, New York, Hachette Publications	194
18 C	**Food & Wine**, New York, American Express Co.	117
8 C	**Forbes**, New York, Forbes Inc.	16
8 C	**Fortune**, New York, Time Warner	19
3 C	**Four Wheeler**, New York, General Media	236
8 C	**Frequent Flyer Magazine**, New York, Maxwell Communications	179
30 C	**Gallery**, New York, Montcalm Publishing Corp.	258
50 C	**Glamour**, New York, Advance Publications	25
22 C	**Globe**, Boca Raton, Fla., Globe Communications Corp.	87
45 C	**Golf Digest**, Trumbull, Conn., New York Times Co.	38
45 C	**Golf Illustrated**, New York, Family Media	245
45 C	**Golf Magazine**, New York, Times Mirror Co.	62
49 C	**Good Housekeeping**, New York, Hearst Corp.	10
46 C	**Gourmet**, New York, Advance Publications	77
5A T	**Government Computer News**, Silver Spring, Md., Reed International	262
30 C	**GQ**, New York, Advance Publications	56
42 C	**Guideposts**, Carmel, N.Y., Guideposts Associates	121
19 C	**Guns & Ammo**, Los Angeles, Petersen Publishing Co.	171
50 C	**Harper's Bazaar**, New York, Hearst Corp.	74
8 C	**Harvard Business Review**, Boston, Harvard Grad. School of Bus. Admin.	186
23 C	**Health**, New York, Family Media	147
3 C	**Hemmings Motor News**, Bennington, Vt., Watering Inc.	203
63B T	**HFD-The Weekly Home Furnishings**, New York, Capital Cities/ABC	91
24 C	**HG-House & Garden**, New York, Advance Publications	101
2 F	**High Plains Journal**, Dodge City, Kan., High Plain Publishers	240
51 C	**Highlights for Children**, Columbus, Ohio, Highlights for Children	70
24 C	**HOME**, New York, Hachette Magazines	120
24 C	**Home Mechanix**, New York, Times Mirror Co.	133
8 C	**Home Office Computing**, New York, Scholastic Inc.	244
24 C	**Homeowner**, New York, Family Media	207
3 C	**Hot Rod**, Los Angeles, Petersen Publishing Co.	110
24 C	**House Beautiful**, New York, Hearst Corp.	93
8 C	**Inc.**, Boston, Goldhirsh Group	60
83B T	**Industrial Equipment News**, New York, Thomas Publishing Co.	291
20 T	**Industry Week**, Cleveland, Pittway Corp.	222
5A T	**InformationWeek**, Manhasset, N.Y., CMP Publications	164
5A T	**InfoWorld**, Menlo Park, Calif., International Data Group	109
45 C	**Inside Sports**, Evanston, Ill., Century Publishing Co.	168
36A C	**Insight**, Washington, Washington Times Corp.	189
46 T	**Institutional Investor**, New York, Institutional Investor	135
73 T	**Interior Design**, New York, Reed International	246
36A C	**Jet**, Chicago, Johnson Publishing Co.	69
7 H	**Journal of the AMA**, Chicago, American Medical Association	96
22 C	**Kiplinger's Personal Finance**, New York, Kiplinger Washington Editors	115
30A C	**LA Style**, New York, American Express Co.	266
49 C	**Ladies' Home Journal**, New York, Meredith Corp.	15
5A T	**LAN TIMES**, Midvale, Utah, McGraw-Hill	249
49 C	**Lear's**, New York, Lear Publishing	159
22 C	**Life**, New York, Time Warner	34
30A C	**Los Angeles**, Los Angeles, Capital Cities/ABC	256
38 C	**Los Angeles Times Magazine**, Los Angeles, Times Mirror Co.	149
30 C	**M Inc.**, New York, Capital Cities/ABC	263
120 T	**Machine Design**, Cleveland, Pittway Corp.	185
5A T	**MacUser**, Foster City, Calif., Ziff Communications	92
5A T	**MacWeek**, San Francisco, Coastal Associates	170
5A T	**Macworld**, San Francisco, International Data Group	86
50 C	**Mademoiselle**, New York, Advance Publications	47
49 C	**McCall's**, New York, New York Times Co.	21
H6 H	**Medical Economics**, Montvale, N.J., Thomson Corp.	219
149A T	**Meetings & Conventions**, Secaucus, N.J., Reed International	188
24 C	**Metropolitan Home**, Des Moines, Meredith Corp.	84
24 C	**Midwest Living**, Des Moines, Meredith Corp.	220
49 C	**Mirabella**, New York, News Corp.	143
7 C	**Modern Bride**, New York, Reed International	88
28A C	**Modern Maturity**, Lakewood, Calif., American Association of Retired Persons	35
12 T	**Modern Salon**, Lincolnshire, Ill., Vance Publishing Corp.	282
22 C	**Money**, New York, Time Warner	26
3 C	**Motor Trend**, Los Angeles, Petersen Publishing Co.	72
19A C	**Muscle & Fitness**, Woodland Hills, Calif., Weider Publications	90
22 C	**National Enquirer**, Lantana, Fla., G.P. Group	17
22 C	**National Examiner**, Montreal, Canada, Globe Communications Corp.	118
22 C	**National Geographic**, Washington, National Geographic Society	12
46 C	**National Geographic Traveler**, Washington, National Geographic Society	215
46 C	**National Geographic World**, Washington, National Geographic Society	257
19 C	**National Wildlife**, Washington, National Wildlife Federation	284
8 C	**Nation's Business**, Washington, Chamber of Commerce of the U.S.A.	138
127 T	**Nation's Restaurant News**, New York, Lebhar-Friedman Publications	166
22 C	**Natural History**, New York, American Museum of Natural History	211
132A T	**Nature**, New York, Macmillans UK	144
31 C	**Navy Times**, Springfield, Va., Army Times Publishing Co.	294
5A T	**Network World**, Framingham, Mass., International Data Group	175
28A C	**New Choices for Best Years**, New York, Reader's Digest Association	241
H6 H	**New England Journal of Medicine**, Boston, New England Journal of Medicine	116
83B T	**New Equipment Digest**, Cleveland, Pittway Corp.	274
49 C	**New Woman**, New York, K-III Holdings	82
36A C	**New York Magazine**, New York, K-III Holdings	61
38 C	**New York Times Magazine**, New York, New York Times Co.	29
22 C	**The New Yorker**, New York, Advance Publications	45
36A C	**Newsweek**, New York, Washington Post Co.	6
H7 H	**Nursing '90**, Springhouse, Pa., Elsevier Business Press	157
43 C	**Omni**, New York, General Media	102
47 C	**OnSat**, Shelby, N.C., Triple D Publishing	200
21 C	**Organic Gardening**, Emmaus, Pa., Rodale Press	153
19 C	**Outdoor Life**, New York, Times Mirror Co.	94
45 C	**Outside**, Chicago, Mariah Publications	232
22 C	**Parade**, New York, Advance Publications	7
49 C	**Parenting**, San Francisco, Time Warner	156
49 C	**Parents**, New York, Gruner & Jahr Publications	39
5A T	**PC Magazine**, New York, Ziff Communications	14
5A T	**PC Computing**, Foster City, Calif., Ziff Communications	103
5A T	**PC Week**, Medord, Ziff Communications	36
5A T	**PC World**, San Francisco, International Data Group	66
30 C	**Penthouse**, New York, General Media	33
36A C	**People**, New York, Time Warner	2
19 C	**Petersen's Hunting**, Los Angeles, Petersen Publishing Co.	295
113B T	**Plant Engineering**, Des Plaines, Ill., Reed International	208
17 C	**Playbill**, New York, Playbill	275
30 C	**Playboy**, Chicago, Playboy Enterprises	23
49 C	**Playgirl**, New York, Drake Publisher	190
30 C	**Popular Mechanics**, New York, Hearst Corp.	73
39 C	**Popular Photography**, New York, Hachette Publications	97
43 C	**Popular Science**, New York, Times Mirror Co.	85
6 C	**Power & Motoryacht**, Stamford, Conn., Reed International	243
24 C	**Practical Homeowner**, New York, Capital Cities/ABC	210
17A C	**Premiere**, New York, K-III Holdings	152
23 C	**Prevention**, Emmaus, Pa., Rodale Press	52
19 T	**Professional Builder & Remodeler**, Des Plaines, Ill., Reed International	129
2 F	**Progressive Farmer**, Birmingham, Ala., Time Warner	253
61 T	**Progressive Grocer**, Stamford, Conn., Maclean Hunter	298
5A T	**Publish**, San Francisco, International Data Group	288
15 T	**Publisher's Weekly**, New York, Reed International	286
9 C	**Ranger Rick Magazine**, Washington, National Wildlife Federation	281
22 C	**Reader's Digest**, New York, Reader's Digest Association	5
19A T	**Real Estate Today**, Chicago, National Association of Realtors	283
49 C	**Redbook**, New York, Hearst Corp.	28
127 T	**Restaurant Business**, New York, Bill Communications	184
127 T	**Restaurant Hospitality**, Cleveland, Pittway Corp.	267
127 T	**Restaurants & Institutions**, Des Plaines, Ill., Reed International	105
H7 H	**RN**, Montvale, N.J., Thomson Corp.	285
3 C	**Road & Track**, Newport Beach Calif., Hachette Publications	79
33 C	**Rolling Stone**, New York, Straight Arrow Publishers	31
45 C	**Runner's World**, Emmaus, Pa., Rodale Press	177
6 C	**Sail**, Newton, Mass., Reed International	277
49 C	**Sassy**, New York, Lang Communications	297
47 C	**Satellite Orbit**, Vienna, Va., CommTek Communications	195
22 C	**Saturday Evening Post**, Indianapolis, Benjamin Franklin Literary & Medical	250
132A T	**Science**, Washington, American Assn. for the Advmt. of Science	154
43 C	**Scientific American**, New York, Scientific American	123
49 C	**Self**, New York, Advance Publications	57
49 C	**Sesame Street Magazine**, New York, Children's Television Workshop	151
49 C	**Seventeen**, New York, K-III Holdings	53
49 C	**Shape**, Woodland Hills, Calif., Weider Publications	148
45 C	**Sid**, New York, Times Mirror Co.	160
45 C	**Skiing**, New York, Times Mirror Co.	167
45 C	**Skin Diver**, Los Angeles, Petersen Publishing Co.	204
22 C	**Smithsonian**, Washington, Smithsonian Institution	43
49 C	**Soap Opera Digest**, New York, K-III Holdings	50
24 C	**Southern Accents**, Birmingham, Ala., Time Warner	264
24 C	**Southern Living**, Birmingham, Ala., Time Warner	32
33 C	**Spin**, New York, Camouflage Associates	292
45 C	**Sport**, Los Angeles, Petersen Publishing Co.	137
45 C	**Sporting News**, St. Louis, Times Mirror Co.	68
19 C	**Sports Afield**, New York, Hearst Corp.	169
36A C	**Sports Illustrated**, New York, Time Warner	4
22 C	**Star Magazine**, Tarrytown, N.Y., G.P. Group	22
33 C	**Stereo Review**, New York, Hachette Publications	113
8 C	**Success**, New York, Hal Holdings	231
2 F	**Successful Farming**, Des Moines, Meredith Corp.	233
149A T	**Successful Meetings**, New York, Bill Communications	228
24 C	**Sunset**, Menlo Park, Calif., Time Warner	49
61 T	**Supermarket News**, New York, Capital Cities/ABC	182
49 C	**Teen**, Los Angeles, Petersen Publishing Co.	124
45 C	**Tennis**, Trumbull, Conn., New York Times Co.	114
45 C	**Tennis Illustrated (Indy World Tennis)**, New York, Family Media	235
30A C	**Texas Monthly**, Austin, Mediatex Communication Corp.	178
36A C	**Time**, New York, Time Warner	3
149B T	**Tour & Travel News**, Manhasset, N.Y., CMP Publications	163
22 C	**Town & Country**, New York, Hearst Corp.	81
8A C	**Trailer Life**, Agoura Hills, Calif., TL Enterprises	269
149B T	**Travel Agent Magazine**, New York, Universal Media Inc.	260
46 C	**Travel-Holiday**, New York, Reader's Digest Association	271
149B T	**Travel Weekly**, Secaucus, N.J., Reed International	76
46 C	**Travel & Leisure**, New York, American Express Co.	41
149B T	**TravelAge magazines**, San Francisco, Maxwell Communications	213
25A C	**Travelhost**, Dallas, Travelhost Inc.	217
49 C	**True Story**, New York, Macfadden Holdings	187
36A C	**TV Guide**, Radnor, Pa., News Corp.	1
24 C	**Unique Homes**, New York, Unique Homes Magazine Inc.	265
1 C	**United's Vis 'A Vis**, New York, East/West Network	225
17A C	**Us**, New York, Straight Arrow Publishers	63
22 C	**USA Weekend**, New York, Gannett Co.	30
1 C	**USAir Magazine**, Greensboro, N.C., Pace Communications	278
36A C	**U.S. News & World Report**, Washington, U.S. News & World Report	11
22 C	**Vanity Fair**, New York, Advance Publications	58
5A T	**VarBusiness**, Manhasset, N.Y., CMP Publications	259
49 C	**Victoria**, New York, Hearst Corp.	139
47 C	**Video**, New York, Reese Communications	172
47 C	**Video Review**, New York, Viare Publishing	237
50 C	**Vogue**, New York, Advance Publications	24
49 C	**W**, New York, Capital Cities/ABC	112
38 C	**Washington Post Magazine**, Washington, Washington Post Co.	198
30A C	**Washingtonian**, Washington, Washington Magazine Co.	279
49 C	**Weight Watchers**, New York, Weight Watchers Twentyfirst Corp.	155
49 C	**Woman's Day**, New York, Hachette Publications	20
49 C	**Woman's World**, Englewood Cliffs, N.J., Bauer Publishing Co.	42
29 C	**Wood**, New York, Meredith Corp.	229
49 C	**Worldnet**, Kansas City, Mo., K.C. Publishing	289
49 C	**Working Mother**, New York, Lang Communications	145
49 C	**Working Woman**, New York, Lang Communications	80
6 C	**Yachting**, New York, Times Mirror Co.	260
24 C	**Yankee**, Dublin, N.H., Yankee Publications	125
49 C	**YM**, New York, Gruner & Jahr Publications	131

Notes: C indicates consumer SRDS category. T indicates business SRDS category. H indicates healthcare. F indicates farm/agricultural.

MAY AD RESULTS

Recovery hopes dim as ad drop steepens

By Scott Donaton

Springtime hasn't arrived yet in the magazine industry.

Ad pages fell 13.7% to 13,148.4 last month compared with a year earlier, the largest single-month decline since ad pages began drying up in late 1989, Publishers Information Bureau reported.

MEDIA WORKS

For the first five months of 1991, ad pages for PIB-tracked magazines totaled 63,550.6, down 10.9% from the same period last year. Of the 170 titles tracked, 74% registered declines.

Ad revenues fell 6.4% to $564.89 million in May and were down 5.4% to $2.58 billion through the first five months.

Seven of the top 10 ad categories (ranked by revenue) were down through May; nine categories were down in pages. The top 10 categories had combined revenues of $1.84 billion, representing 71% of all magazine ad revenue for the period.

"May revenue performance appears to reflect a leveling off from April with only the same few categories [automotive, direct response and computers/office equipment] showing sustained growth," said James Guthrie, exec VP-marketing development of the Magazine Publishers of America.

Publishers are no longer predicting a turnaround in 1991 but hope the May figures indicate the decline has bottomed out.

Business Week, traditionally the ad page leader, took its place as the top title for the first time this year, despite seeing pages fall 18.6% to 1,263.6 through May.

Rival *Forbes* was only a step behind with 1,248.1 pages, down 17%. *Fortune* took the biggest hit in the business field, with pages down 27.9% to 898.5.

While the downturn has widely affected most categories, the impact on individual titles varies greatly.

In the health field, *Prevention's* 198.1 ad pages were down 22.5%. *American Health* saw pages dive 48.8% to 124.7. *Health*, with 176.7 pages, was down just 1.3%.

Among science titles, *Omni's* pages rose 7.3% to 282.8 and *Scientific American's* pages jumped 39% to 263.6. But pages fell 8.5% to 293.3 at *Popular Science* and 11.8% to 158.6 at *Discover*.

Longevity, which straddles the line between health and science, climbed 35.6% to 218.7 pages.

The travel field picked up in May after being grounded in the first quarter by the Persian Gulf War. *Travel & Leisure*, *Conde Nast Traveler* and *Travel-Holiday* posted increases of 1.5%, 7.2% and 58.1% respectively for the month.

Through May, *Travel & Leisure* carried 564.6 pages, down 9%. *Conde Nast Traveler* carried 402.1 pages, down 12.2%. *Travel-Holiday* carried 237.6 pages, a 12.5% increase.

National Geographic Traveler fell 7.8% to 145.3 pages, while *Endless Vacation's* ad pages dropped 37.1% to 102. *Gourmet*, which counts travel as its largest advertising category, carried 464.5 pages, down 12.0%.

Among the handful of magazines showing strong gains after five months was *Runners World*. Its 254.1 pages represented a 55.1% increase, the largest percentage gain of any PIB-tracked magazine for the period. The Rodale Press title is celebrating its 25th anniversary this year. □

Top 10 magazine ad categories by revenue

Category	1991 revenue	% chg	1991 pages	% chg
Automotive*	$369,479,118	6.82	6,574.1	(2.14)
Toiletries & cosmetics	$267,772,120	(2.19)	5,681.7	(10.67)
Direct response	$237,848,047	7.84	7,880.5	(0.63)
Food	$182,932,260	(8.44)	2,960.6	(15.93)
Travel, hotels & resorts	$165,351,621	(11.42)	5,004.1	(12.75)
Apparel**	$163,069,813	(6.18)	5,488.6	(9.16)
Business & consumer svcs.	$151,364,097	(27.55)	4,232.6	(27.13)
Cigarettes & tobacco	$114,472,366	(8.21)	1,823.2	(15.83)
Computers & office equip.	$103,612,321	18.30	2,184.0	9.68
Publishing & media	$82,745,779	(9.30)	1,109.9	(19.35)

Revenue and page figures are from January-May 1991. *Includes accessories and equipment. **Includes footwear and accessories. Source: Publishers Information Bureau

MEDIA MIX

News briefs on print, electronic and alternative media.

You Jane. Worldvision Enterprises, New York, is developing a companion TV series to "Tarzan," its weekly, half-hour show that starts this fall in first-run syndication. Worldvision is negotiating to license a similar comics-based character for another first-run series for a fall 1992 launch.

"It won't be a superhero. It will be somebody out of the Sunday comics pages like 'Jungle Jim,' 'Sheena: Queen of the Jungle,' or 'Steve Canyon,' " said Gary Montanus, senior VP at Worldvision. Despite a soft ad marketplace, he said sales for "Tarzan" have been strong with about a third of the inventory sold, including a deal with an undisclosed car company.

In the new series, Tarzan has been contemporized with a focus on environmental themes. Mr. Montanus said Worldvision is developing promotions that tie into the "green marketing" theme, including "Tarzan Zoo Days," local retail promotions that emphasize animal rights.

Swept out. For the first time ever, the average prime-time rating for each of the Big 3 networks dropped into the single digits during a sweeps period. For the week ended May 26, NBC had a 9.7 rating; ABC, 9.6; and CBS, 9.4, Nielsen Media Research reports. Although it's the 11th time each of the networks' prime-time ratings fell that low, the other single-digit weeks fell during political conventions or low-rated summer months. But only half the week fell during sweeps programming, said David Poltrack, CBS VP-planning and research. "The ratings were the lowest for the second half of the week, which fell out of the sweeps period," he said.

Kimberly Butler

Worldvision Enterprises' Tarzan cares about the environment.

Not-so-deep pockets. More than half of all brands using network TV in 1990 spent less than $1.5 million on the medium, the Network Television Association reported. The findings conflict with the perception that network TV is only for advertisers with large budgets. Of the 2,952 individual product campaigns that appeared on network TV in 1990, 1,547 were funded at less than $1.5 million. Peter Chrisanthopoulos, president of the association, said network TV is accessible to small-budget brands because of its wide price range. "Network TV unit costs run the gamut from an $800,000 [30-second] unit in the Super Bowl to $5,500 for a news sign-on spot," he said. The average 30-second prime-time unit costs about $115,000.

Turning over a new (maple) leaf. *Vermont Life*, Montpelier, with its winter issue will carry ads for the first time in its 46-year history. Published by the state of Vermont, the quarterly will accept advertising to offset production and postage costs and lower state funding. A b&w page costs $3,750; color is $5,050. Circulation is 90,000. □

Joe Mandese coordinates MediaWorks.

Magazine ad page leaders

Publishers Information Bureau figures for January through May 1991.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Business Week	1,263.60	(18.6)	75,906,692	(16.6)
2	Bride's	1,251.45	(3.4)	23,140,994	1.1
3	Forbes	1,248.08	(17.0)	55,569,407	(15.1)
4	People	1,213.62	(15.0)	126,386,922	(5.9)
5	Vogue	1,087.81	(9.5)	43,913,254	(0.9)
6	TV Guide	1,037.83	(19.4)	122,133,863	(11.9)
7	Modern Bride	1,007.88	(1.7)	16,579,050	(2.4)
8	The Economist	922.67	(16.2)	8,689,907	(9.2)
9	Fortune	898.49	(27.9)	48,313,904	(18.5)
10	New York Magazine	855.65	(18.6)	14,678,620	(12.6)
11	Entrepreneur	855.31	1.2	9,259,615	14.6
12	Sports Illustrated	847.44	(19.9)	114,917,381	(13.0)
13	Cosmopolitan	827.61	(12.0)	52,716,152	(9.4)
14	Time	815.77	(22.6)	123,752,182	(14.2)
15	Golf World	760.68	2.1	6,663,498	12.3
16	Glamour	734.35	(2.2)	39,442,257	3.7
17	Newsweek	725.57	(19.6)	83,332,158	(16.3)
18	Elle	707.00	(20.4)	23,550,200	(9.5)
19	U.S. News & World Report	689.93	(7.3)	59,084,620	(1.6)
20	Good Housekeeping	654.39	(3.7)	67,443,740	6.5
21	The New Yorker	639.08	(29.8)	18,201,366	(21.8)
22	Sunset	624.59	(4.1)	18,677,871	(8.0)
23	Ladies' Home Journal	623.45	(3.9)	47,496,808	4.3
24	Rolling Stone	616.80	(19.5)	24,729,201	(9.2)
25	Gentlemen's Quarterly	612.32	(20.0)	16,651,520	(11.1)
26	Family Circle	607.49	(8.0)	52,629,395	(2.5)
27	Skin Diver	600.09	4.5	6,125,554	13.4
28	Muscle & Fitness	598.51	14.6	10,929,327	22.5
29	American Way	596.70	(17.2)	8,990,982	(5.3)
30	Yachting	580.89	(18.3)	3,834,681	(10.9)
31	Parents	572.52	(2.6)	25,518,664	6.5
32	Travel & Leisure	564.61	(9.0)	23,832,927	(5.9)
33	Mademoiselle	557.20	(11.8)	19,009,307	(7.7)
34	Texas Monthly	549.67	(3.3)	6,321,265	0.3
35	Golf Magazine	546.02	(6.6)	19,672,409	12.9
36	Better Homes & Gardens	542.57	2.9	66,102,501	13.4
37	Golf Digest	532.56	(11.3)	30,564,838	3.1
38	Architectural Digest	521.50	(29.4)	14,451,045	(27.4)
39	Popular Photography	519.89	4.9	11,880,664	(0.1)
40	Car & Driver	514.51	5.8	20,204,526	11.2
41	Southern Living	503.64	(8.4)	26,670,648	(1.1)
42	Vanity Fair	493.94	(8.5)	17,574,272	(7.1)
43	Money	481.67	(6.1)	32,510,476	3.3
44	Woman's Day	478.04	(24.9)	36,890,122	(19.1)
45	Harper's Bazaar	469.94	(19.3)	13,628,091	(12.0)
46	Redbook	467.25	0.6	30,834,266	6.8
47	Gourmet	464.52	(12.0)	13,979,302	(0.8)
48	Salt Water Sportsman	462.44	(19.8)	3,396,407	(10.0)
49	Bicycling	460.65	(7.2)	7,046,045	1.9
50	W Magazine	456.96	(23.4)	11,141,922	(18.7)
51	Road & Track	435.26	0.0	13,040,628	1.7
52	Jet	421.00	(2.0)	7,414,038	2.8
53	Seventeen	417.42	(23.7)	14,504,590	(10.7)
54	McCall's	412.65	2.1	33,037,493	13.4
55	Ebony	412.45	(13.6)	15,783,353	(5.4)
56	Conde Nast Traveler	402.05	(12.2)	11,936,636	(6.4)
57	Self	401.01	(29.0)	16,537,807	(22.6)
58	Mirabella	398.68	(7.9)	8,158,363	22.2
59	Country Living	394.75	(13.1)	17,569,204	(6.3)
60	Bon Appetit	391.24	(13.8)	12,493,707	(7.3)
61	Four Wheeler	385.98	1.8	3,551,228	21.9
62	Town & Country	382.09	(39.2)	10,788,149	(29.0)
63	HG (House & Garden)	379.80	(16.1)	10,315,098	(8.0)
64	Reader's Digest	370.90	(21.1)	39,897,160	(17.7)
65	Smithsonian	366.66	(11.1)	16,213,387	(6.9)
66	Bassmaster	364.98	(7.1)	7,526,141	(2.9)
67	Metropolitan Home	361.10	(29.8)	13,167,821	(18.5)
68	Outside Magazine	361.08	13.6	7,045,950	24.3
69	Working Woman	355.45	(13.5)	11,618,521	(6.6)
70	Motor Trend	350.69	3.1	13,767,586	13.1
71	Compute!	350.31	NA	3,096,478	NA
72	Inc.	339.04	(23.2)	15,772,742	(11.7)
73	San Francisco Focus	336.86	(29.7)	2,342,086	(26.7)
74	Outdoor Life	336.54	(1.2)	11,279,163	12.7
75	Esquire	331.86	(32.0)	10,717,673	(28.3)
76	Delta Sky	329.10	(7.9)	9,448,490	4.0
77	Field & Stream	327.46	(10.0)	15,202,750	5.5
78	New Woman	324.90	(15.7)	9,071,104	(3.6)
79	Sports Afield	324.82	(4.5)	6,559,564	1.8
80	Automobile Magazine	322.92	5.9	8,467,096	51.7
81	Entertainment Weekly	315.74	1.6	7,383,586	16.5
82	Essence	311.27	(21.4)	8,661,074	(12.0)
83	House Beautiful	302.50	(3.3)	12,586,041	10.0
84	Black Enterprise	302.38	(8.5)	4,568,274	3.0
85	Hot Rod	301.94	(10.2)	7,241,055	(5.3)
86	Parenting	301.62	4.9	6,921,576	38.4
87	Popular Mechanics	299.55	(12.3)	10,816,995	0.5
88	Playboy	298.94	4.8	19,327,542	1.9
89	Penthouse	293.42	14.7	11,948,752	12.6
90	Art & Antiques	293.39	(23.1)	2,217,292	0.0
91	Popular Science	293.30	(8.5)	8,980,660	0.1
92	Yankee	291.37	(7.7)	4,000,779	7.9
93	Tennis	290.98	(0.1)	10,190,459	11.3
94	Ski	286.96	(2.0)	5,941,902	1.0
95	Omni	282.84	7.3	7,678,720	(7.6)
96	Working Mother	278.81	(8.8)	6,816,146	0.5
97	Premiere	278.05	(8.4)	5,545,843	4.6
98	Shape Magazine	274.01	2.0	4,805,658	(7.4)
99	Scientific American	263.56	39.0	6,028,798	21.8
100	Financial World	260.40	(44.1)	6,171,190	(42.8)

Percent change compares January-May in 1991 with 1990. Source: Publishers Information Bureau

U.S. turns on Euro TV

P&G leads the list of top-spending marketers

By Bill Britt

LONDON—U.S.-based marketers dominated the top 100 pan-European brands in TV ad spending in 1990.

The French were the next biggest spenders, followed by marketers in Italy, the U.K., Germany, the Netherlands and Switzerland.

GLOBAL NEWS

Of the total $3.4 billion invested in TV advertising by the top 100 pan-European brands, 24 U.S. marketers spent a combined total of $2.5 billion on 46 brands, according to *Advertising Age's Euromarketing* newsletter.

The French invested $593 million, or 17%, to support 11 brands.

Euromarketing compiled the list using data supplied by Adtrack, an advertising monitoring company in England.

The rankings are based on the six largest European TV markets: U.K., Italy, France, Spain, Germany and the Netherlands. A brand is considered pan-European if it's marketed under the same name and advertised on TV in at least three countries.

Procter & Gamble Co. spent the most, pumping $358 million into 10 brands: Pampers disposable diapers, Dash detergent, Oil of Olay skincare products, Vicks cold remedy, Vidal Sassoon haircare products, Lenor fabric softener, Vizir detergent, Clearasil acne remedy, Ariel detergent and Head & Shoulders shampoo.

As a company, Unilever was the second-largest spender, investing $217 million in nine brands. Ferrero, the Italian confectioner, came in third with $198 million.

Heaviest-spending brands were Fiat autos; Kellogg's cereals; Peugeot autos; Renault autos; and P&G's Ariel detergent *(see chart)*.

Other U.S. brands among the top 100 were Coca-Cola, General Motors, Ford, McDonald's, Mattel, Whiskas (pet food from Mars Inc.) Gillette razors, Pedigree (pet food from Mars), Johnson & Johnson personal care, Kodak, Pepsi, Mars candy and Milton Bradley.

Automobiles led the list as the biggest product category, with $797 million behind 14 brands. Next was food with $409 million, followed by detergents, confectionery, cosmetics/skincare, toys, soft drinks, electronics, haircare, toothpaste and pet food.

The top 100 pan-European brands accounted for 38% of the total $8.9 billion spent during 1990 on TV advertising in the six largest markets. □

Top pan-European TV brands

Rank		Total spending*
1	Fiat autos	$143
2	Kellogg's cereals	135
3	Peugeot autos	103
4	Renault autos	93
5	P&G's Ariel detergent	93
6	Peugeot's Citroen autos	90
7	BSN's Danone dairy foods	88
8	Ferrero's Kinder candy	82
9	L'Oreal beauty products	70
10	Coca-Cola soft drinks	69

*Dollars in millions.
Source: *Euromarketing*/Adtrack

Carmakers sponsor July 4 radio shows

By John P. Cortez

In the wake of the fervent patriotism displayed in recent Desert Storm homecoming celebrations, two U.S. automakers will sponsor patriotic national radio specials over the Fourth of July weekend.

General Motors Corp. will exclusively sponsor "Radio Desert Storm," a tribute to U.S. troops at home and still in the Middle East, while Chrysler Corp. is the sole sponsor of "The Americans," a variety show featuring historical vignettes and patriotic music.

"Radio Desert Storm," a 4-hour rock 'n' roll special, will be broadcast on more than 100 FM stations in the U.S. and on Armed Forces Radio to 400 radio stations in 130 countries and U.S. territories.

The show will feature dedications and song requests from U.S. troops remaining in the Persian Gulf. Disc jockeys who worked in the Middle East on Desert Radio Network will also be spinning songs played during the conflict.

Listeners will be able to call an 800-number to make donations to the American Red Cross' Radio Desert Storm Fund. Proceeds aid U.S. troops and their families.

"Radio Desert Storm" is produced by RBM Productions Corp. in conjunction with the Armed Forces Radio & Television Services and the Desert Radio Network.

"The Americans," a 3-hour program to be aired on 300 stations nationwide, presents dramatizations of historic and recent events, sprinkled with selections of contemporary patriotic music.

Lee Alan Productions produced "The Americans." Bozell, New York and Birmingham, Mich., handles.

Both programs are taped and will air at various times throughout the July 4-7 weekend. □

Backer

(Continued from Page 1)

doesn't expire until 1995. But under its provisions, Saatchi isn't required to retain Mr. Spielvogel as ceo beyond September 1992, Mr. Louis-Dreyfus told *Ad Age*.

Between late 1989 and April 1991, the agency lost $200 million in billings, including the $90 million Miller Lite account from Miller Brewing Co.

Mr. Louis-Dreyfus said during interviews last week in London and New York that he's already initiated monthly meetings involving himself; Mr. Spielvogel; Martin Tucker, ceo of Saatchi & Saatchi Holdings North America; and the Backer executive committee "to review client satisfaction" and stop problems with clients before they become serious.

He also said he played an active role in the promotion of Ken Rogers to president of Backer's North American operations and the hiring of Executive Creative Director Don Easdon.

The two executives replaced Dean Scaros and Bob Lenz, respectively, both of whom were Mr. Spielvogel's longtime lieutenants.

Mr. Louis-Dreyfus was also familiar with Backer's plans to hire new executives to run the Miller Brewing and M&M/Mars accounts and the domestic research operations.

Those plans were completed last week when the agency named Larry Chiagouris, 43, exec VP-director of strategic planning and research from senior VP-director of strategic planning at Bozell. Mr. Chiagouris succeeds Marilyn Silverman, who returns to her worldwide research post.

Mr. Louis-Dreyfus also pointed out that while top Backer executives primarily report to Mr. Spielvogel, a "dotted line" reporting relationship exists that also allows them to report to the holding company.

But Mr. Louis-Dreyfus stopped short of saying he would reverse any of Mr. Spielvogel's decisions.

"I've learned one thing," he said. "Orders don't work. Everyone responds to logic. Some quicker, some slower. Changes need to be sold. That's the only way to make it work."

"I've learned one thing: Orders don't work. Everyone responds to logic. . . . Changes need to be sold. That's the only way to make it work."

Robert Louis-Dreyfus

Mr. Spielvogel didn't dispute any of Mr. Louis-Dreyfus' comments, but insisted "my title is ceo of Backer Spielvogel Bates Worldwide."

Under his contract, Mr. Spielvogel's role could change after September 1992 and he could either retain both titles, keep only one title or relinquish both and become a consultant to the agency until the 1995 contract expiration.

"I don't close any options," Mr. Louis-Dreyfus said.

Mr. Louis-Dreyfus said the new contract combined elements of a previous pact but for less compensation for Mr. Spielvogel.

"It's not so expensive as before," Mr. Louis-Dreyfus said.

Meanwhile, he indicated that changes in the management structure at Backer's sister agency, Saatchi & Saatchi Advertising Worldwide, are also on the horizon.

"By yearend, there will be some changes," he said.

A new arrangement would likely formalize the roles of Saatchi North American CEO Ed Wax in New York and International CEO Dick Humphreys in the U.K., who run the network, as worldwide Co-CEOs Milt Gossett and Stuart Upson become less involved.

Mr. Louis-Dreyfus also said that after 18 months at the helm of Saatchi, he's now considering his first acquisitions.

But unlike Saatchi founders Maurice and Charles Saatchi, who had dreams of becoming major players in fields such as consulting and banking, Mr. Louis-Dreyfus' sights are more modest.

He said he's interested in creating an international public relations network and has already begun that with Rowland Worldwide's acquisition last week of Minneapolis-based Sullivan Communications Group *(see item on Page 57)*.

Now Mr. Louis-Dreyfus said he wants to buy or start PR companies in the U.S., Germany, Spain and perhaps the Far East to strengthen Rowland internationally. "All with stock, no cash," he added.

"I'm starting to enjoy very much the job," he said. "The refinancing was not much fun." □

Kodak

(Continued from Page 1)

here," he said. "It's as much for the management of the business in terms of administration."

Kodak and Sterling had kept close tabs on the so-called pre-upfront negotiations and deals inked in May even though they weren't active players, Mr. Morrison said.

But, he said: "As of today, we will be active in the upfront."

Kodak pulled the broadcast buying assignments from JWT shortly after the agency named former CBS sales executive Jerry Dominus to the new post of senior VP-director of national TV and programming, in the hopes of rebuilding its network buying reputation.

"This is a business decision," said Kodak's Mr. Morrison. "This is in no way a referendum on Jerry Dominus."

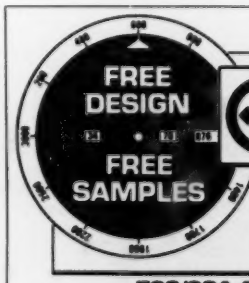
Agencies and dayparts not affected by the Kodak/Sterling consolidation include spot TV buying, which Mediators Inc., New York, handles.

Young & Rubicam is creative agency of record for Kodak cameras and Kodak's Olympics advertising, and isn't affected.

In addition, N W Ayer will continue to buy news programming for Sterling and its divisions; Kodak doesn't normally use news programming.

Sports buys for some Sterling brands are handled by Slater Hanft Martin. □

Joe Mandese and Pat Sloan contributed to this story.



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LAST MINUTE NEWS

Metter to step down as JWT USA chairman

NEW YORK—J. Walter Thompson USA Chairman Bert Metter, 64, is stepping down to become a consultant to the agency working on new business and strategic development. He will work with Brian Johnson, 51, named to the new post of exec VP-director of business development at JWT North America from new business director-Europe.

Silo tunes into Saatchi for $50M account

PHILADELPHIA—Silo Inc. named Saatchi & Saatchi Advertising, New York, to handle the electronics retailer's estimated $50 million account, previously handled in-house. Western Media International, Los Angeles, keeps Silo's broadcast buying. Silo's parent, Dixons Group, London, uses Saatchi's U.K. office. "As far as I know, no other retailer of this magnitude has ever used an outside agency to handle all its advertising on the theory that the volume, variety and frequency of ads required was simply too com-

(Continued on Page 8)

Campbell ups ad $

30% boost to 'restore brand power': Baum

By Judann Dagnoli

Campbell Soup Co., bucking an industry trend, will crank up ad spending 30% in its 1992 fiscal year that begins Aug. 1.

The boost is notable not only because spending was cut in fiscal 1991 but also because the jump is double the company's typical increases during the high-flying '80s.

Campbell spends more than $250 million annually on advertising, according to *Advertising Age* estimates.

In an exclusive interview last week, Campbell North America President Herb Baum said the company intends to build volume with the spending hike, noting that "we need to restore brand power."

Analysts say such a restoration is needed, because low ad spending could endanger Campbell's long-term volume growth.

"We've discontinued a number of product lines and sold several businesses," Mr. Baum said, so year-to-year volume comparisons can't accurately be made.

Overall marketing spending will be up 5% in fiscal 1992, Mr. Baum said, in contrast to a 5% decline in fiscal 1991.

But ad spending will get the biggest boost, up 30% compared with a 5% drop in 1991. Campbell maintained steady 15% marketing and advertising increases during the mid-1980s.

Mr. Baum said the company will be

(Continued on Page 25)

Photos by Laurel Wentz

Marcio Moreira of McCann-Erickson and Lintas' Barry Day catch some rays on the Riviera's sunny beaches (top); (inset, from left) Jerry Della Femina plans a coup with his wife, Judy Licht; Anne-Marie Marcus of Screenvision spends a moment with Sean and Sue Ellen Fitzpatrick; and Nestle's Michel Reinarz works on his tan.

O&M 'Lion' snares Grand Prix

By Laurel Wentz

CANNES—A commercial by Ogilvy & Mather Paris for Perrier bottled water won the Grand Prix at the International Advertising Film Festival here June 28.

The Source Perrier spot, France's first Grand Prix winner since 1983, focuses on thirst as a woman and a lion toil up opposite sides of a mountain, meeting at the top to fight over a bottle of Perrier. By roaring more fiercely, the woman wins.

A tough Cannes jury slashed the total number of Lions 42% this year, to 80 from 138, responding to judges' past complaints that too many awards are given. There were no clear favorites for the Grand Prix this year.

Of the 17 Gold Lions awarded, down from 24 in 1990, the U.S. and the U.K. each won five.

The U.S. picked up a total of 14 Lions, second only to the U.K. with 20. U.S. commercials won just four Silvers and five Bronzes this year, compared with seven Silvers and 17 Bronzes last year.

The five U.S. Golds, the same number the U.S.

(Continued on Page 28)

Malt liquor 'power' failure

By Steven W. Colford and Ira Teinowitz

The U.S. Bureau of Alcohol, Tobacco & Firearms this week will order brewers of three malt liquors to discontinue their promotional materials, and then will review beer and wine promotions—all in the wake of the controversy over G. Heileman Brewing Co.'s new Colt 45 PowerMaster.

The bureau objects to point-of-purchase material for Pabst Brewing Co.'s Olde English "800," Stroh Brewery Co.'s Schlitz Red Bull and McKenzie River Co.'s St. Ides, even though these brands previously won bureau approval for their labeling and promotional campaigns.

A senior bureau official last week said the materials are "illegal" because they're based on alcohol content.

■ Special Report: Marketing to African-Americans—Page 18.

In the next few days, letters will be sent to the malt liquor marketers "telling them that it is irresponsible and illegal" to market their products in this fashion, said Dan Black, BATF associate director for compliance operations.

The agency will give the breweries an as yet undetermined amount of time "to cease this type of advertising," he said.

The bureau plans to review labels and advertising, especially POP, for all malt liquors, and then expand that second look to encompass promotional materials for beer, wine and spirits, Mr. Black said.

"We're going to concentrate on malt liquor but will want to see for all [alcohol products] if they are trying to subvert the intent of the [Federal Alcohol Administration] Act by putting something that's not in their ads into the print media that they put in liquor stores," he said.

That law prohibits alcohol mar-

(Continued on Page 29)

INSIDE

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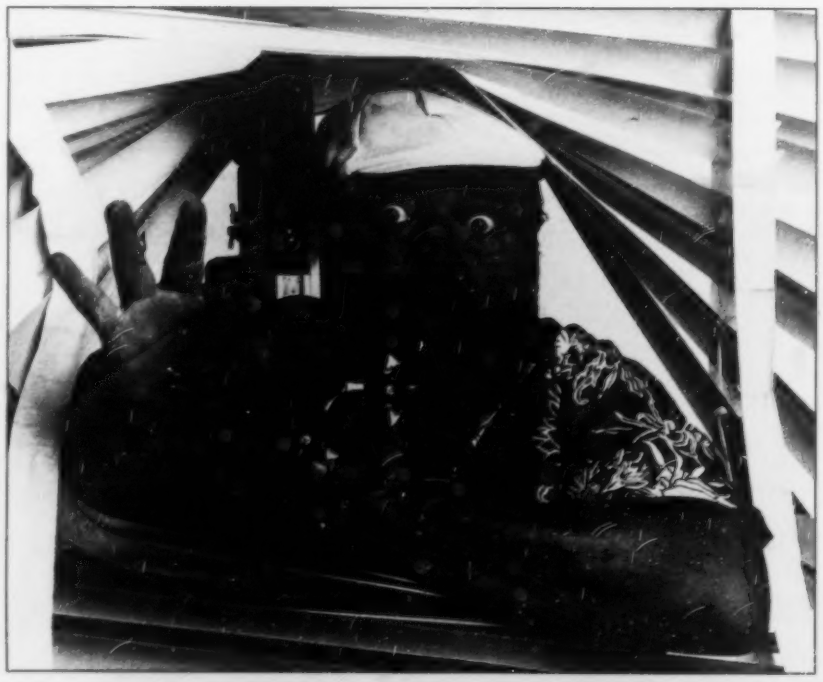

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NEWS SUMMARY

■ **Campbell Soup Co.** will increase ad spending 30% in the fiscal year starting Aug. 1. North America President Herb Baum cited the "need to restore brand power." **1**

■ **Three malt liquor marketers** face action from the U.S. Bureau of Alcohol, Tobacco & Firearms for illegally promoting alcoholic content. **1**

■ **A Perrier TV spot** by Ogilvy & Mather Paris won the Grand Prix at the Cannes International Advertising Film Festival. Five U.S. commercials got Gold Lions. **1**

■ **WPP Group** reported lower revenues and profits for the first quarter, citing its Ogilvy & Mather unit. Earlier, Fidelity International became WPP's largest shareholder. **3**

■ **Thurgood Marshall's** resignation from the U.S. Supreme Court is termed a loss for commercial speech. **3**

■ **Barbie boutiques** will pop up in major retailers' stores this fall, offering a broad array of merchandise based on Mattel's popular doll. **3**

■ **Skin lotion marketers** are expanding and repositioning their lines to counter a slowdown in sales growth. **3**

■ **Lisa Valk,** now publisher of *People*, is the leading candidate to become publisher of *Time*, sources said. **4**

■ **Young & Rubicam** promoted Tim Pollak to vice chairman-director of client service worldwide. **4**

■ **Cold medication** competition will heat up next fall when most of the major players plan to introduce new products. **4**

■ **Mobil settled** lawsuits filed by six states concerning degradability claims for Hefty bags. **4**

■ **Two Chinese fast-food** chains that feature home delivery are being led by former executives of Domino's. **6**

■ **Daytime upfront sales** by the Big 3 TV networks are virtually complete for next season, though the prime-time upfront market has stalled. **6**

■ **Merrill Lynch** bought a multimillion-dollar ad package on CNN that will put its ads on CNN International in more than 100 countries. **6**

■ **Nabisco** has added bite-size Mini Oreo to its line of downsized snack items. It's the sixth variation of its top-selling Oreo cookie brand. **10**

■ **Anheuser-Busch** is targeting women with some of its "Why ask why?" TV commercials for Bud Dry. **10**

■ **Minivan marketers** Pontiac and Chrysler Corp. are using direct-mailed videocassettes to promote their vehicles, both to owners of competing vans and to likely prospects. . **12**

■ **BBDO Chicago** has linked up with a former Illinois Lottery official to pursue state lottery accounts. **12**

■ **Long-distance telephone** marketers are using cash incentives and offers of gifts in promotions to lure customers away from the competition. **13**

■ **Xerox's** new TV ad campaign features separate commercials that tell the same story from the point of view of three different people. **30**

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James Brady and Brady's Bunch don't appear this week.

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CONSUMER MAGAZINE AD LINAGE

	May 1991	May 1990	Year-to-date 1991	Year-to-date 1990
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	156.3	149.9	624.9	738.6
Automobile Magazine C.	65.3	69.3	322.9	304.9
Car & Driver C.	110.3	109.8	514.5	486.4
Car Collector & Car Classics	21.0	21.0	100.0	111.0
Car Craft	68.4	80.5	276.6	333.5
Circle Track	87.5	97.1	419.7	445.0
Cycle	45.6	51.5	202.4	207.4
Cycle World	64.6	53.5	225.8	233.3
Dirt Rider	48.3	48.6	199.5	196.2
Dune Buggies & Hot VWs	67.4	71.8	332.7	339.7
Easyriders	38.5	29.3	195.9	128.7
Family Motor Coaching	160.4	164.3	821.0	818.7
Four Wheeler C.	90.8	90.8	386.0	379.3
Hot Rod C.	75.4	78.8	301.9	336.2
Motorcyclist	64.7	59.1	234.5	207.9
Motor Trend C.	73.2	71.2	350.7	340.1
Motorhome	83.3	102.8	405.0	478.3
Petersen's 4 Wheel	79.5	88.1	327.2	371.4
Rider	54.3	50.9	147.5	173.2
Road & Track C.	94.7	106.0	435.3	435.2
Trailer Life	86.7	93.3	404.9	451.3
Total Group	**1,636.2**	**1,687.5**	**7,228.8**	**7,516.1**
% change	**-3.0%**		**-3.8%**	
■ Boating & yachting				
Boating	110.4	116.2	518.6	737.2
Chesapeake Bay	34.9	57.0	148.4	221.1
Cruising World	103.8	109.7	535.6	583.4
Lakeland Boating (11X)	70.0	87.0	343.0	437.0
Motor Boating & Sailing	137.1	176.4	530.4	691.1
Sail	107.0	105.4	522.0	605.9
Sailing World	41.0	55.4	252.9	275.6
Trailer Boats (11X)	47.3	66.2	279.0	383.7
Yachting C.	112.9	136.7	580.9	710.8
Total Group	**764.4**	**909.9**	**3,710.9**	**4,645.9**
% change	**-16.0%**		**-20.1%**	
■ Civic/fraternal				
Elk (10X)	14.8	14.1	78.1	80.3
Kiwanis	14.7	14.9	82.9	86.6
Lion (10X)	9.3	3.7	39.0	19.9
Rotarian	16.6	14.6	87.0	81.1
V.F.W. (11X)	27.1	22.8	144.8	147.1
Total Group	**82.5**	**70.1**	**431.8**	**415.0**
% change	**17.7%**		**4.0%**	
■ General				
American Health (10X) C.	36.2	32.2	124.7	243.5
American Heritage (8X) C.	52.8	49.2	177.3	162.5
American Legion	30.6	31.9	172.3	187.1
Art & Antiques (10X) C.	42.8	85.7	293.4	381.3
ARTnews (10X)	87.8	149.3	446.3	604.7
The Atlantic A. C.	59.0	61.7	254.5	268.7
Bon Appetit A. C.	84.0	103.2	391.2	453.9
Buena Salud (6X)	18.9	39.0	127.5	73.6
Cable Guide C.	23.3	28.0	128.9	145.9
Caribbean Travel & Life (6X)	59.5	43.5	185.1	119.7
Changing Times C.	47.5	59.5	240.3	277.4
Conde Nast Traveler C.	96.7	90.2	402.1	457.9
Connoisseur C.	43.1	72.4	245.0	310.5
Consumers Digest (6X) C.	20.3	34.1	68.2	82.2
Cooking Light C.	55.9	52.9	181.2	184.4
Country America (10X) C.	37.5	30.3	176.8	120.7
Departures N. America (6X)	—	—	136.9	87.1
Ebony C.	89.7	107.4	412.5	477.4
Endless Vacation (8X) C.	20.1	26.2	102.0	162.3
European Travel & Life (10X) C.	44.6	50.4	210.1	220.8
Food & Wine C.	45.2	81.8	220.1	295.4
Golden Years (6X)	24.3	34.2	88.7	108.2
Gourmet C.	118.4	130.7	464.5	527.5
Harper's Magazine A. C.	31.4	28.5	157.1	151.5
Islands (6X)	83.7	74.0	227.9	186.5
Let's Live	39.0	49.0	218.0	250.0
Life C.	70.9	118.2	227.2	296.3
Longevity C.	52.0	40.0	218.7	161.2
Mature Outlook (6X) C.	40.8	31.1	125.1	113.1
Modern Maturity (6X) C.	—	—	69.1	76.9
Money C.	104.1	111.8	481.7	512.8
National Geographic C.	17	23.5	118.0	121.2
National Geographic Traveler (6X) C.	47.0	58.6	145.3	157.6
Natural History C.	31.4	49.5	172.9	233.5
New Choices C.	29.6	27.1	133.6	153.3
Prevention C.	41.1	44.0	198.1	255.5
Reader's Digest A. C.	77.5	119.7	370.9	470.2
Saturday Evening Post (9X) C.	31.3	33.1	135.4	147.0
Smithsonian C.	75.1	80.4	366.7	412.5
Spin C.	42.3	40.8	204.5	209.3
Town & Country C.	89.6	135.9	382.1	628.4
Travel-Holiday C.	60.9	38.6	237.6	211.1
Travel & Leisure C.	122.3	120.4	564.6	620.4
Travelhost	1,071.9	1,274.0	5,433.4	6,257.0
Vanity Fair C.	117.7	93.7	493.9	539.7
Yankee C.	58.3	57.8	291.4	315.6
Total Group	**3,475.4**	**4,043.3**	**16,222.3**	**18,433.3**
% change	**-14.0%**		**-12.0%**	
■ Home				
Architectural Digest A. C.	126.8	158.6	521.5	738.7
Better Homes & Gardens C.	127.6	148.6	542.6	527.5
Colonial Homes (6X) C.	—	—	96.8	98.3
Columbus Monthly-Homes (4X)	—	—	39.1	57.2
Country Home (6X) C.	—	—	109.6	114.4
Country Life (6X)	49.4	49.9	159.2	154.7
Country Living C.	86.2	98.0	394.8	454.2
Decorating Remodeling (8X) C.	47.7	74.2	144.1	164.2
Family Handyman (10X) A. C.	52.8	56.6	229.0	184.2
Florida Home & Garden	70.0	110.3	226.3	385.3
Flower & Garden (6X)	49.5	41.7	89.3	88.4
Home C.	53.4	64.6	251.5	296.7
Home Mechanix C.	61.3	68.3	185.6	235.5
Homeowner (10X) C.	28.8	28.5	126.0	125.4
Horticulture	54.0	59.7	242.5	247.9
House Beautiful C.	77.5	76.3	302.5	312.7
HG C.	89.4	105.8	379.8	452.7
Metropolis (10X)	90.8	97.7	240.3	262.6
Metropolitan Home C.	74.1	94.4	361.1	514.1
Midwest Living C.	—	—	143.9	128.5
1,001 Home Ideas C.	46.7	71.2	232.5	314.0
Organic Gardening (9X) C.	43.1	45.4	251.0	230.3
Phoenix Home/Garden	46.8	72.2	254.4	358.1
Practical Homeowner (9X) C.	—	—	193.7	157.8
San Diego Home/Garden	95.3	118.3	397.8	448.7
Southern Accents (11X) C.	57.5	91.4	194.2	326.6
Southern Living C.	96.8	114.2	503.6	549.5
Sunset Magazine A. C.	147.9	163.9	624.6	651.2
Workbench (6X)	46.2	35.6	90.8	63.5
Total Group	**1,719.4**	**2,045.3**	**7,527.8**	**8,642.8**
% change	**-15.9%**		**-12.9%**	
■ In-flight & other passenger				
Aboard Group (6X)	35.1	45.2	108.5	122.7
Alaska Airlines	59.4	74.7	265.2	355.9
America West Airlines	60.0	81.7	328.0	381.7
American Way (24X) C.	130.9	180.6	596.7	720.9
Continental Profiles	44.0	56.6	192.6	263.7
Delta Sky C.	71.3	71.7	329.1	357.5
Pan Am Clipper	29.2	51.8	156.2	237.2
Southwest Spirit	62.3	65.3	268.2	260.6
Spirit of Aloha	31.8	31.9	175.2	168.3
Trump's	30.5	67.3	113.6	127.8
TWA Ambassador (10X)	19.5	41.7	162.8	156.2
United Vis 'A Vis	72.0	72.6	343.0	344.8
US Air Magazine	68.9	69.7	328.2	303.2
Total Group	**714.9**	**910.8**	**3,367.3**	**3,800.5**
% change	**-21.5%**		**-11.4%**	
■ Men's				
Esquire A. C.	61.9	100.6	331.9	488.1
Firehouse Magazine	38.9	20.7	207.7	161.5
Gentlemen's Quarterly A. C.	114.5	143.4	612.3	765.2
M Inc. C.	32.9	40.8	229.5	308.4
Men's Health (6X)	26.8	27.9	73.9	52.2
Men's Fitness	36.5	23.3	166.4	146.4
Muscle & Fitness C.	119.2	105.3	598.5	522.3
Penthouse A. C.	62.7	49.4	293.4	255.8
Playboy A. C.	68.8	62.3	298.9	285.3
Total Group	**562.2**	**573.7**	**2,812.5**	**2,985.2**
% change	**-2.0%**		**-5.8%**	
■ Metropolitan				
Aloha (6X)	32.5	46.8	105.5	132.8
Annapolitan	45.5	92.9	221.0	349.9
Atlanta	100.4	79.2	351.0	345.8
Baltimore	50.4	67.0	232.0	310.7
Boston	76.6	115.3	295.4	512.3
Chicago	97.7	99.7	369.5	455.0
Chicago's North Shore	73.8	105.0	365.3	456.6
Cincinnati	33.3	35.9	167.5	189.2
Cleveland	40.3	51.7	196.2	219.1
Columbus Monthly	48.4	51.2	212.3	307.4
Connecticut	78.1	98.0	300.2	448.2
D/Magazine	50.0	59.7	236.0	276.2
Detroit Monthly	37.7	59.3	210.5	282.7
Grand Rapids	19.3	32.7	109.2	141.8
Gulf Coast (13X)	35.8	32.3	425.1	256.0
Honolulu	46.4	50.4	220.6	254.7
Houston Metropolitan Magazine	50.8	79.0	380.7	334.7
Inside Chicago (8X)	21.0	29.0	54.5	71.0
L.A. Style	76.9	121.5	360.0	518.1
Los Angeles	122.2	188.4	457.1	676.4
Louisiana Life (6X)	31.5	32.7	87.0	90.0
Madison	40.0	46.0	162.0	195.0
Memphis	48.3	50.4	239.5	258.7
Mid Atlantic Country	61.6	53.8	262.9	223.6
Milwaukee	59.3	67.8	266.3	301.8
Minneapolis/St. Paul	81.1	97.1	407.6	523.8
Minnesota Monthly Mag.	60.3	89.7	256.9	339.8
New Jersey Monthly	51.7	74.7	222.5	342.7
New Mexico	40.0	43.9	201.3	193.7
New York Woman (10X)	36.9	41.7	132.0	173.6
Ohio	58.2	81.6	214.0	266.7
Orlando	89.0	86.8	461.9	481.0
Pacific Northwest	32.5	51.5	148.8	247.3
Palm Beach Life	19.2	41.1	242.3	392.7
Palm Springs Life	86.5	96.9	636.2	704.8
Philadelphia	96.2	130.7	505.6	674.6
Phoenix	29.0	29.9	143.5	189.8
Pittsburgh	60.4	68.0	307.0	316.1
Rhode Island Monthly	34.2	59.4	186.0	262.6
Sacramento Magazine	46.3	47.7	249.0	272.9
St. Louis	35.3	69.5	139.3	193.2
San Diego	105.8	140.0	465.2	638.6
San Francisco Focus C.	77.9	119.0	336.9	478.9
Sarasota (10X)	55.4	71.0	354.9	476.0
South Florida Magazine	39.7	73.1	270.6	460.2
Texas Monthly C.	134.4	139.3	549.7	568.4
The Washingtonian	103.4	153.0	479.2	667.8
Total Group	**2,751.3**	**3,551.2**	**13,197.7**	**16,472.9**
% change	**-22.5%**		**-19.9%**	
■ Music/entertainment				
Audio	80.3	96.8	377.9	422.6
Dance Magazine	60.0	61.1	314.8	317.1
Playbill	58.9	67.1	209.4	237.1
Premiere C.	47.9	45.9	278.1	303.6
Video Magazine	66.2	62.3	332.3	319.5
Total Group	**313.2**	**333.3**	**1,512.3**	**1,599.8**
% change	**-6.0%**		**-5.5%**	
■ Outdoor & sport				
Alaska	40.1	39.2	227.7	213.3
The American Handgunner (6X)	56.0	59.0	160.0	172.0
American Hunter	13.8	12.6	73.6	83.7
American Rifleman	21.1	22.9	100.0	108.3
Backpacker (8X) C.	47.0	40.0	123.0	105.4
Bassmaster (10X) A. C.	50.1	73.1	365.0	392.7
Bicycling (9X) C.	119.6	147.2	460.7	496.3
Body Boarding (8X)	—	—	55.7	70.8
Ducks Unlimited (6X)	23.9	26.6	78.8	78.2
Field & Stream C.	61.9	71.6	327.5	363.8
Fishing World (6X)	26.9	33.9	98.1	161.8
Flex	83.7	68.7	377.4	323.9
Florida Sportsman	124.3	120.1	611.3	717.6
Golf Digest C.	131.4	123.7	532.6	600.4
Golf Illustrated C.	61.4	51.0	220.6	230.8
Golf Magazine C.	81.1	93.6	546.0	584.3
Guns	39.0	38.0	181.0	199.0
Guns & Ammo	38.3	43.4	177.7	228.2
In-Fisherman (7X)	50.5	47.2	305.5	322.7
Outdoor Life C.	74.3	70.9	336.5	340.5
Outside Magazine C.	90.9	84.0	361.1	317.8
Petersen's Hunting	21.8	41.5	162.8	177.0
Runner's World (12X) C.	55.3	39.1	254.1	163.8
Salt Water Sportsman C.	81.6	103.0	462.4	576.9
Shooting Times	22.4	28.4	134.3	152.5
Sierra (6X)	—	43.0	128.9	112.5
Ski (8X) A. C.	—	—	287.0	292.8
Skiing (7X) A. C.	—	—	229.6	230.0
Skin Diver C.	124.8	129.0	600.1	574.4
Southern Outdoors (9X)	36.6	37.1	209.5	230.1
Southern/Western Links (6X)	39.7	34.5	112.8	107.2
Sport Magazine C.	31.7	27.5	165.0	141.5
Sports Afield C.	55.5	57.7	324.8	339.9
Surfing	53.0	71.5	298.2	348.2
Tennis C.	64.1	61.0	291.0	291.2
Volleyball (9X)	—	—	53.7	—
Waterski (10X)	75.3	75.7	306.0	319.7
Western Outdoors (9X)	—	—	98.3	166.6
WindRider (8X)	65.7	72.0	170.3	197.1
World Tennis C.	49.6	38.3	173.3	179.6
Total Group	**2,074.6**	**2,125.8**	**10,181.8**	**10,712.6**
% change	**-2.4%**		**-5.0%**	
■ Photography				
American Photo (6X) C.	63.1	57.1	149.2	143.8
Petersen's Photographic	41.1	27.7	155.5	116.5
Popular Photography C.	97.2	98.8	519.9	495.7
Total Group	**201.4**	**183.6**	**824.6**	**756.0**
% change	**9.7%**		**9.1%**	
■ Science/electronic/mech				
Discover C.	24.5	33.6	158.6	179.9
Home Office Computing C.	29.6	36.7	187.2	243.6
Omni C.	53.3	53.5	282.8	263.6
Popular Mechanics C.	62.3	85.2	299.6	341.7
Popular Science C.	79.8	84.7	293.3	320.7
Scientific American C.	45.5	51.3	263.6	189.7
Spectrum C.	39.7	55.0	224.8	262.0
Total Group	**334.8**	**400.0**	**1,709.9**	**1,801.2**
% change	**-16.3%**		**-5.1%**	
■ Woman/fashion/service				
Bride's Magazine (6X) A. C.	—	—	1,251.5	1,295.0
Cosmopolitan A. C.	205.0	305.9	827.6	940.9
Elle C.	153.4	206.5	707.0	888.5
Essence C.	81.8	123.4	311.3	396.1
Family Circle (17X) A. C.	92.3	122.7	607.5	660.5
Glamour C.	166.5	197.6	734.4	750.8
Good Housekeeping A. C.	127.5	155.0	654.4	679.4
Harper's Bazaar C.	93.0	104.3	469.9	582.1
Health C.	42.2	35.1	176.7	179.1
Imagen	81.4	123.3	375.1	420.3
Ladies' Home Journal C.	126.0	150.9	623.5	649.0
Lear's C.	37.2	55.8	203.7	276.3
Mademoiselle C.	158.8	151.9	557.2	631.7
McCall's C.	78.8	98.4	412.7	404.0
Military Lifestyle (10X)	73.0	103.9	208.8	273.1
Mirabella C.	75.6	63.3	398.7	433.0
Modern Bride (6X) C.	—	—	1,007.9	1,025.2
New Woman C.	66.8	84.2	324.9	385.6
Parenting (10X) C.	61.5	76.0	301.6	287.5
Parents Magazine A. C.	127.3	146.0	572.5	587.6
Redbook C.	106.0	105.3	467.3	464.3
Self C.	102.7	155.0	401.0	565.0
Seventeen C.	76.7	97.8	417.4	547.2
Shape C.	60.2	69.6	274.0	268.7
Soap Opera Digest (26X) C.	38.4	45.8	181.9	181.5
Teen Magazine	55.5	75.1	217.6	248.2
True Story A. C.	50.2	49.7	212.3	271.3
Victoria C.	43.7	38.3	217.2	230.5
Vogue C.	202.7	201.9	1,087.8	1,201.9
W Magazine (26X) C.	47.9	66.6	457.0	596.3
Weight Watchers C.	31.2	31.5	168.3	181.1
Woman's Day (15X) A. C.	170.4	186.0	478.0	636.7
Workbasket (6X)	28.7	18.2	65.8	39.5
Working Mother C.	54.5	62.5	278.8	305.6
Working Woman C.	72.6	80.9	355.5	410.9
Total Group	**2,989.4**	**3,588.3**	**16,006.5**	**17,894.4**
% change	**-16.7%**		**-10.6%**	
■ Youth				
Boys' Life C.	20.7	17.3	84.7	91.1
Campus Life (10X)	28.7	26.7	235.3	204.5
Total Group	**49.4**	**43.9**	**320.1**	**295.6**
% change	**12.4%**		**8.3%**	
■ Business/national				
Barron's	104.4	137.2	619.3	712.2
Black Enterprise C.	54.4	49.5	302.4	330.4
Business Week (52X) A. C.	312.6	368.1	1,263.6	1,551.4
Economist (52X) C.	187.4	243.8	922.7	1,101.5
Entrepreneur C.	151.7	168.5	855.3	845.6
Financial World (26X) C.	43.7	109.8	260.4	465.8
Forbes (26X) C.	328.0	344.8	1,248.1	1,503.7
Fortune (26X) C.	193.0	292.8	898.5	1,245.6
Frequent Flyer	34.1	46.3	178.2	199.0
Futures	39.7	42.7	200.2	202.9
Harvard Bus. Review (6X) C.	58.6	62.1	161.3	182.3
Inc. Magazine C.	66.4	132.7	339.0	441.7
Income Opportunities	65.2	71.6	369.3	369.5
Industry Week (23X) A.	86.2	83.9	356.5	437.5
Nation's Business (12X) A. C.	26.1	25.9	129.1	128.9
Success C.	50.5	30.3	193.4	142.0
Total Group	**1,801.9**	**2,210.9**	**8,297.3**	**9,859.9**
% change	**-18.5%**		**-15.8%**	
■ Business/regional				
Bus. First-Columbus (52X)	116.2	79.8	508.8	425.4
Bus. Jrnl.-Milwaukee (52X)	92.2	154.3	557.6	757.3
Bus. Jrnl.-Sacramento (52X)	67.7	82.7	371.9	434.5
Bus. North Carolina	44.3	48.3	161.7	193.2
Capital Dist. Bus. Review (52X)	67.9	54.1	364.1	336.5
Caribbean Business	119.1	178.7	458.6	565.7
Corporate Rpt. Minnesota	61.5	43.9	232.7	220.6
Crain's Chicago Bus. (52X)	136.6	162.5	526.0	698.6
Crain's Cleveland Bus. (52X)	53.3	91.1	299.2	383.1
Crain's Detroit Bus. (52X)	59.8	95.5	318.1	445.6
Crain's New York Bus. (52X)	62.0	82.0	289.0	329.0
Florida Trend (13X)	43.1	48.4	186.5	253.2
Georgia Trend	27.3	40.3	175.3	209.6
Grand Rapids Bus. Jrnl.	62.1	58.7	270.5	273.0
Hawaii Business	40.8	57.3	232.7	252.3
Houston Bus. Jrnl. (52X)	109.6	74.0	553.6	297.0
Indianapolis Bus. Jrnl. (52X)	110.5	144.9	579.5	694.4
Nashville Business & Lifestyle B.	17.1	—	97.9	—
New England Bus. (12X) A.	25.5	31.0	121.0	166.8
New Orleans City Bus.	85.2	47.9	383.0	245.0
Pacific Bus. News (52X)	116.3	94.9	510.3	501.2
Philadelphia Business Journal (52X)	118.0	128.4	325.3	397.6
Pittsburgh Bus. Times (52X)	43.8	91.3	274.2	481.3
Providence Business News	62.4	67.9	323.9	332.7
Regarvie's/Washington (7X)	—	—	267.0	466.0
St. Louis Bus. Jrnl. (52X)	131.9	105.0	627.8	541.8
Warfield's/Maryland (26X)	60.7	79.2	268.0	310.0
Total Group	**1,918.0**	**2,142.0**	**9,186.1**	**10,211.4**
% change	**-10.5%**		**-10.0%**	
■ National Sunday mags				
Parade (52X) C.	53.3	73.3	305.7	286.7
USA Weekend (52X) C.	54.4	52.7	267.4	272.7
Vista Magazine (52X)	27.0	28.4	79.3	92.0
Total Group	**134.8**	**154.4**	**652.4**	**651.4**
% change	**-12.7%**		**0.2%**	
■ Newspaper Sunday magazine				
Boston Globe	117.6	171.9	608.8	879.8
Chicago Tribune	84.8	150.9	460.6	621.8
Cleveland Plain Dealer	60.1	71.3	220.7	301.9
The Dallas Morning News	51.1	53.3	240.0	258.0
Detroit Free Press	33.0	60.0	189.0	256.0
L.A. Times C.	68.5	78.1	310.8	429.6
New York Times Mag. C.	219.1	340.7	1,186.4	1,602.9
Philadelphia Inquirer	67.2	100.9	357.1	458.3
Seattle Times	85.0	92.0	313.0	392.0
St. Louis Post Dispatch	96.8	81.6	396.1	377.6
Toledo Blade Magazine	33.5	33.5	161.9	171.5
Washington Post	85.3	146.4	409.2	552.6
Total Group	**1,002.0**	**1,380.6**	**4,853.6**	**6,302.0**
% change	**-27.4%**		**-23.0%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	188.9	125.3	907.7	642.6
Army Times Military Group:				
Air Force Times (52X)	125.0	156.5	656.3	760.9
Army Times (52X)	122.7	158.0	642.6	751.0
Navy Times (52X)	126.8	165.4	688.6	794.0
Capper's (26X)	25.7	28.6	149.1	156.4
Commonweal (22X)	9.2	9.2	42.7	54.8
Entertainment Weekly (52X) C.	74.1	99.0	315.7	310.9
Golf World (41X) C.	144.5	123.8	760.7	745.2
Grit (52X) A.	31.8	36.8	183.0	197.0
Jet (52X) C.	86.5	90.9	421.0	429.7
National Journal (50X) C.	38.5	60.0	242.3	282.8
New Republic (48X)	39.8	43.5	202.6	204.6
New York Mag. (50X) C.	189.1	219.3	855.7	1,051.0
New Yorker C.	138.4	168.6	639.1	910.6
Newsweek (52X) A. C.	195.9	213.1	725.6	902.8
People (51X) C.	267.5	366.6	1,213.6	1,428.3
Rolling Stone (25X) C.	173.1	213.8	616.8	766.1
Sporting News (52X) C.	28.3	37.6	163.3	215.9
Sports Illustrated (52X) A. C.	171.1	242.5	847.4	1,057.7
Time (52X) A. C.	159.5	252.8	815.8	1,054.2
TV Guide (52X) A. C.	205.9	253.9	1,037.8	1,287.5
US Magazine (26X) C.	49.4	84.0	180.8	309.3
U.S. News & World Report (50X) A. C.	174.7	162.6	689.9	744.3
Total Group	**2,766.5**	**3,311.7**	**12,998.2**	**15,057.5**
% change	**-16.5%**		**-13.7%**	

NOTES: Linage is given in paid ad pages. (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and % change. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. *Ad Age* makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

NOTE

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Cov. 1, Pgs: 2, 12, 14

C2710-1

NEWSPAPER

Advertising Age

July 8, 1991

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Miller Lite loses 'it'

Burnett's new ads misfire in selling

By Bob Garfield

On a beer truck chugging into the distance, two giant blue letters slide off the back panel, turning the word "Lite" into an inscrutable "it" as the L and E tumble to the road below.

What an apt image for Miller Lite's first full-fledged campaign from Leo Burnett USA, Chicago. Less thrilling. Wastes freight.

The squandered freight, of course, isn't sheet metal signage so much as 17 years worth of brand image value, built on the strength of propitious market timing and one of the greatest ad campaigns in history. By offering most of the flavor and only half of the calories, via self-deprecating ex-jock "spokesguys," Miller Lite became the second-best-selling beer in the U.S.

AD REVIEW

Now, with its growth in the light segment stymied, Miller Brewing Co. is staking its claim not as a low-calories alternative but as "the beer that beer's become." In four new TV spots full of humor and chutzpah and typical beer-commercial charm, Miller conspicuously eschews even passing reference to its legendary less fillingness. "It's it," goes the new theme line. "And that's that."

But "it" isn't, because "less

(Continued on Page 38)

A Miller Lite beer truck loses a couple of its letters and in the process gives a clue to Leo Burnett USA's new ad theme: "It's it and that's that." New spots break July 9 during the All-Star Game.

Saatchi taps Scott for key new position

By Laurel Wentz

LONDON—Saatchi & Saatchi Co. Chief Executive Robert Louis-Dreyfus this week is expected to name Charles Scott to the new post of chief operating officer, with the intent of assessing him as Mr. Louis-Dreyfus' successor.

Mr. Louis-Dreyfus said he's creating the job to give Mr. Scott, now chief financial officer, the general management experience necessary to determine whether he can handle the ceo role and to free himself to focus on long-term strategic issues.

Under this scenario, Mr. Scott, 42, could succeed Mr. Louis-Dreyfus.

"No one's eternal," Mr. Louis-Dreyfus said of his own future at Saatchi. "I won't be there 50 years from now. I'd like to see if [Mr. Scott] can oversee operations and do all that I've done over the last year. I'll think a bit more about future strategy."

C. Scott

Most Saatchi operating companies will report to Mr. Scott rather than to the chief executive, Mr. Louis-Dreyfus said.

Since joining Saatchi in January 1990, Mr. Louis-Dreyfus has made it clear that he has "no idea how long I'll be [at Saatchi]. I always said I'd be [here] between

(Continued on Page 35)

LAST MINUTE NEWS

DMB&B wins $10M in Aussie ad business

LONDON—The Australian Tourist Commission is moving its $10 million European business to D'Arcy Masius Benton & Bowles. Chiat/Day/Mojo previously handled in the U.K. and Foote, Cone & Belding on the Continent. The commission is consolidating its $70 million worldwide business with three or four agencies. Next to be reviewed, probably in October, is the $15 million North American business, held by Chiat in the U.S. and Ogilvy & Mather in Canada.

Diamandis back on the prowl

NEW YORK—Peter Diamandis is back on the magazine acquisition trail following the quiet expiration last week of his nine-month no-compete clause with former employer Hachette. "I'm going to start looking. . . . it's a good time to buy," he said. Mr. Diamandis continues as an adviser to TVSM, publisher of *The Cable Guide*, and said he may take a financial stake in the company.

Pepsi's Wild Bunch rolls out

SOMERS, N.Y.—Pepsi-Cola Co. this week starts the limited rollout of its flavored colas to spark incremental sales

(Continued on Page 8)

INSIDE

B. Kuperman

Cannes coverage: Lion inflation halted. **Page 12.**
■ Commentary by U.S. judge Bob Kuperman. **Page 22.**
■ More photos. **Page 26.**

Special Report: Packaging turns green. **Page 15. Research:** Testing green packages. **Page 24.**

CHANGING MARKETS: First in a series

Boomers leave a challenge

By Gary Levin

The Pepsi generation is shrinking, and the cola giant is turning to sports drinks and sparkling water to quench more of America's thirst.

The median age of moviegoers is going up, and movie marketers are providing a whole lot more "Pretty Women" than "Terminators."

Even Sheraton Hotels is fretting that tiny typefaces in print ads won't reach the travelers becoming a more important part of its customer base.

Yes, the aging of baby boomers, perhaps the most coveted market in marketing history, is leading to profound and subtle changes across a number of U.S. industries.

"There are going to be fewer films for mindless young boys with Los Angeles high-school educations."

In the next decade, the population in the 18-to-34 set, 70 million strong in 1990, will drop nearly 11%, the U.S. Census Bureau estimates. That means a shift in emphasis, with soft drinks, snack foods, restaurants and beer—to name a few—most likely to be affected, researchers say.

"The particular segment of the market that was courted so passionately by lots of industries is a leveling-off market," said Fabian Linden, executive director of the Conference Board's consumer research center. "They no longer have the population explosion going for them."

Conversely, categories targeting older audiences will benefit as their universe of customers expands: cosmetics, the leisure travel industry, healthcare and entertainment, to name a few.

Several factors, however, complicate the once neat cor-

(Continued on Page 14)

By the year 2000, the number of people in the 18-to-34 age group will have decreased 11% to 62.4 million from 90 million in 1990.
11%
1990
2000
Chris Chapman/Tony Stone Worldwide

HOLLY SEGUINE

A VOICE OF THE TIMES

When the oldest continuously published monthly magazine in America turns Hot people in the ad community want to know why.

Why was The Atlantic up 42% in ad pages for 1989 and 1990? Why has The Atlantic been named to Adweek's list of "10 Hottest Magazines" for the second year in a row? Why does The Atlantic continue to perform well in the treacherous economic waters of 1991?

You, our advertisers, made it happen. And continue to make it happen.

- You recognize The Atlantic's pre-eminent editorial as the place to get across your advertising messages.
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- You know The Atlantic's audience of influential movers and shakers matters in its own right and in shaping the decision-making patterns of others.
- And you understand that now, more than ever before, The Atlantic is a voice of the times.

For now is a time when what you *know* matters as much as what you have. And as the majority of the population (a little older and a little wiser) looks to understand the world around them, they turn to the magazine and its readers to help them make sense of that world.

The Atlantic has been described as the nation's dining-room table — a place where business people, scientists, politicians, teachers, writers, members of the clergy, the military, Republicans, and Democrats can regularly hear one another speak.

The voices are often eloquent, the subjects are wide-ranging, but most important of all is who's listening.

All of this explains why more and more of you are coming to the table with your advertising messages.

The Atlantic is a voice of the times — and a great place to be heard.

The Atlantic

For information call Jayne Young, Associate Publisher (212) 326-5311

NEWS SUMMARY

■ **Saatchi & Saatchi** Chief Executive Robert Louis-Dreyfus is expected to name Charles Scott chief operating officer, in line to succeed him as ceo. 1

■ **Dentsu** will open its own U.S. sales promotion unit, Nova Promotion Group, in New York in September. 3

■ **Upfront sales** for the TV networks' new season are virtually completed, with prime-time sales estimated at $3.5 billion, a 19% drop from last year. 3

■ **Levi Strauss & Co.** will promote jeans for women with a $12 million campaign starting Aug. 1. 3

■ **Visa USA** today begins its campaign tying in with the 1992 Olympics. 3

■ **Hearst Corp.** and Chrysler Corp. are close to completing a cross-media ad package that could include cable, newspapers and other media in addition to magazines. 3

■ **Judge Clarence Thomas,** Supreme Court nominee, showed some support for commercial speech rights in an earlier appellate court ruling. 4

■ **Gordon Bowen** will leave Ogilvy & Mather in the fall to head up the Coca-Cola account at McCann-Erickson. 4

■ **Reebok** will use a Chiat/Day/Mojo theme for its new corporate image campaign. 4

■ **Third-class mailers** hope the postal service board of governors' rejection of rates recommended by the Postal Rate Commission will mean some relief from higher rates. 4

■ **'Bo Show,'** a new Nike TV spot featuring Bo Jackson, is getting significant free "news" exposure before its debut. 8

■ **Cannes** ad film fest handed out fewer gold awards this year because of tougher standards and voting changes. 12

■ **Package-goods marketers** are stepping up testing of reduced packaging as part of the green marketing trend. ... 24

■ **A new TV network** in Russia is challenging the state-run network and is seeking Western advertising 30

■ **Gay magazines** are still having trouble appealing to mainstream advertisers. 31

■ **Introspect** is a new line of young men's apparel to be introduced by Paul Davril Inc. 33

■ **Eurocom** and Carat may be near a breakup of their media buying partnership. 33

■ **Wells Rich Greene BDDP,** responding to lawsuits, disavowed liability for payments to newspapers for buys made on behalf of a "disclosed principal," Continental Airlines. 34

■ **Isuzu** selected five finalists for its $95 million U.S. account. A decision will be made next month. 34

■ **G. Heileman Brewing Co.** withdrew plans to market Colt 45 PowerMaster malt liquor following government reversal of approval plus threats of consumer boycotts. 35

■ **Miller Brewing Co.** will drop its "Less filling. Tastes great" theme and introduce a new theme this week. 38

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Brack tracks changes at Time Inc.

The nation's largest consumer publisher, Time Inc. Magazine Co., has emerged as a leader in multimagazine and cross-media packaging and is restructuring its sales force to intensify that effort. At the same time, its Time Publishing Ventures division is pushing forward with the aggressive launch of Martha Stewart Living *and related properties.*

Reginald K. Brack Jr., chairman, president and ceo of Time Inc. Magazine Co. and chairman of the Magazine Publishers of America, discussed with Advertising Age *Reporter Scott Donaton the state of the magazine industry in general and his company in particular.*

ONE ON ONE

Advertising Age: *Time Inc. is restructuring its sales force, putting in place four corporate regional VPs to whom all single-title reps will report. What is the goal behind the realignment?*

Mr. Brack: Simply put, it's to get closer to our customers. This puts four of our most capable sales directors that much closer to our customers and gives them responsibility for all of our magazines, where before they were each responsible for one magazine. Being able to talk to customers about all of our properties certainly has been successful. This doesn't change the way we sell as much as the way we manage. Each [rep] will continue to sell the individual titles. That's critical.

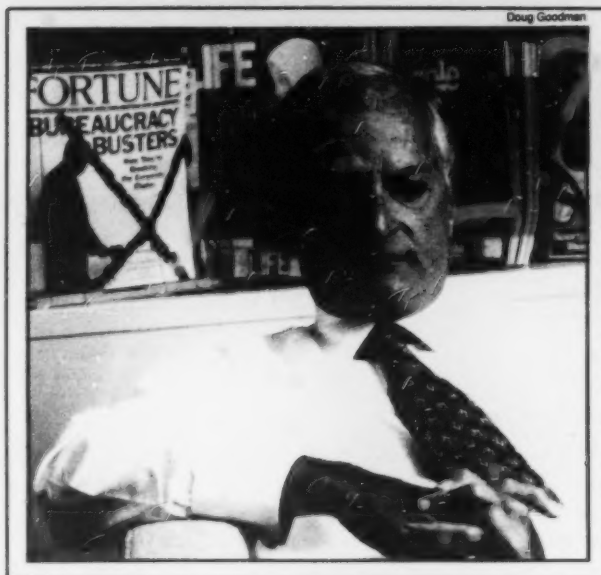
AA: *How will the new structure change the role of the publishers and ad directors at the individual magazines?*

Mr. Brack: It will enable the publishers to focus even more on building the brand identity and take some of the burden off them for ad sales. It will enable the sales directors to do more to make sure that our magazines are priced properly, promoted properly and sold properly. We see those jobs really being enhanced, not diminished.

AA: *Time Inc. has emerged as a leader in the field of corporate ad sales through major deals with the likes of General Motors, Chrysler and Mazda. Why?*

Mr. Brack: There is enough homogeneity in our magazines and our audiences—enough tonnage, enough reach, enough frequency—that through a combination of our weeklies and our monthlies, we're able to do a disproportionately large percentage of a given advertiser's job. And the foundation of these packages really is the magazines. We start with that foundation, enhance it with a lot of special programs and then add to that cable television, books, custom publishing.

Doug Goodman



"We're not doing what we're doing to build share, although that results from it. What we're really trying to do is to bring dollars in to our magazines, wherever they come from. . . . It's not a share battle. This is a long-term strategy."

Reginald Brack

AA: *There's somewhat of a concern that these types of packages are more of a short-term way to build share during a weak period than a wave of the future.*

Mr. Brack: We're not doing what we're doing to build share, although that results from it. What we're really trying to do is to bring dollars in to our magazines, wherever they come from. In none of these cases are we sitting down with another single magazine or publishing company in mind and saying, "Because we're Time Warner, we can do it better than *Newsweek* or Conde Nast or Hearst." We're trying to work closely enough with advertisers and agencies to understand what a company is really trying to do, and then bring all our assets together to get more dollars, probably from places other than magazines, into our magazines. It's not a share battle. This is a long-term strategy.

AA: "*[illegible] at about the argument that these types of deals commoditize media?*

Mr. Brack: First of all, I have trouble with the word "deal" because that implies some kind of a cut-rate price. That is not the case here. We are not doing anything for any single advertiser that we would not do for another under the same circumstances.

As to commoditization, that's something I worry a lot about for the whole industry, certainly for our magazines. But if you're doing a good enough job of understanding the customers' needs and fitting the right combinations of magazines, you're really accen-

(Continued on Page 32)

THE SECRETS OF NEW PRODUCT SUCCESS. A FREE SAMPLE.

1. Great ideas aren't the answer.

Just as a good idea may stop you from going on to discover a great one, a great idea may stop you from going on to discover the right one. After you get a great idea, continue to look for the right idea.

2. Exact appropriateness.

Every product has a small group of words and pictures that are exactly appropriate to it. When the time is taken to discover them and weave them together expertly, recall goes way up and top-of-mind awareness in the category is preempted.

3. News, with style.

The excitement of a concept board or test commercial must come from the clear communication of news about the product. Style comes from clarity and precision, not cleverness that subordinates the news. Even when image is all important, it takes the form of news, not so much inherent in the product, but invented.

4. Efficiency in communication.

Maximum efficiency in mass communication is one word—a name that says everything. Second is a slogan that contains the name. After that, people have to remember two or more things to know your message. Efficiency goes down, and media expenditures lose impact.

5. The disappearing concept board.

Most people test concept boards and commercials. The right concept board or commercial tests the product—by allowing the consumer to see right through it to the product shown in its best light.

We're top, award-winning creative people who've specialized in new products for over 15 years. So we've discovered a lot of unique secrets that have helped bring success to many leading companies.

We also put new life in old brands.

Let us make a presentation. If you retain us for a project, you'll move your new products program to a new, and generally unavailable level—where business-as-usual simply can't take you.

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Cannes Gold turns silver

Award flood slows; disputes, silver prizes liven ceremony

By Laurel Wentz

CANNES—The abrupt halt of award inflation at this year's International Advertising Film Festival left organizers scrambling for Silver Lions to distribute at the awards ceremony.

CANNES 1991

The jury awarded so few prizes that, for the first time, festival organizers had to fill time during the June 29 ceremony by handing out Gold Lions hastily repainted as Silvers.

"They told us to be careful the paint didn't come off on us and we had to give them back afterward," said Donald Gunn, Chicago-based senior VP-director of creative resources at Leo Burnett Co., which won three Lions.

The 80 commercials that won awards this year represented a 42% fall from 138 in 1990 and 57.7% less than the 189 awarded in 1989.

Judges and former judges attributed the drop to a tough jury, fewer good commercials and a new system of scrutinizing computer printouts of votes cast to spot unusually high marks indicating vote trading.

"If we'd given 160 this year, next year's jury would have awarded 180," said Fernando Ocana, chairman of TAPSA/N W Ayer, Madrid, and one of this year's Spanish judges.

Some judges thought even 80 Lions—the Grand Prix, 17 Golds, 19 Silvers and 43 Bronzes—were too many.

"They should make them really scarce," said David Horry, creative director, Still Price:Lintas, London, and a U.K. judge. "The fewer, the merrier. I thought the general standard of entries was appalling I would have taken most of the Bronzes away and said they're not worth anything."

Even the Grand Prix winner, Ogilvy & Mather Paris' French Source Perrier spot featuring a woman roaring back at a lion, wasn't universally popular.

Before the final choice, the jury split 16-7 between the Perrier commercial and GGK London's U.K. campaign for the Electricity Association featuring animated animals explaining why electric heating suited their lifestyles.

Critics complained the Perrier spot was beautifully executed but lacked a strong idea.

"I'm totally in favor of a much stricter judging process," said Marcio Moreira, vice chairman-chief creative officer-international at McCann-Erickson Worldwide, New York.

The Perrier spot was booed by the audience at the awards ceremony. A visibly upset Jean-Paul Goude, the spot's director, dropped the award on the stage and mouthed obscenities at the crowd.

"Perrier for me was one of the great, powerful images of the week," said Richard Barker, European creative director of D'Arcy Masius Benton & Bowles, London, and a U.K. judge. "When the girl roars and roars and her mouth opens wider and wider, it's extraordinary." □

The winners at Cannes

Top Lion winners by agency network . . .

Network	Gold	Silver	Bronze	Total
BBDO Worldwide	3	1	5	9
DDB Needham	3	1	0	4
Lowe International	2	2	0	4
Young & Rubicam	0	2	2	4
Backer Spielvogel Bates	0	1	2	3
Saatchi & Saatchi	1	1	1	3
Eurocom	0	2	1	3
McCann-Erickson	0	1	2	3
Leo Burnett Co.	0	1	2	3
Hakuhodo	0	0	3	3

. . . and by country.

Country	Total Lions
U.K.	20
U.S.	14
Australia	9
Spain	9
Brazil	6
France	6*
Japan	4
Norway	3
Canada	2
Germany	2
Italy	2

*1991 Grand Prix winner.

Challenges arise as boomers age

(Continued from Page 1)

relation between age and consumer behavior.

The growth of minorities, postponed childbearing and increased longevity all are leading to larger, more extended and more financially strained families even as population growth slows.

Indeed, some experts contend age alone is no longer a reliable barometer of what people buy.

In the 1990s, "marital status and kids are more important determinants of consumer behavior than age and income," said Thomas Exter, research director at *American Demographics*.

For instance, married couples with kids represent 23% of the U.S. population, but they account for 41% of grocery sales. Parents of young children are increasingly part of an older demographic group, yet they still buy diapers, formula and milk.

Because of its sheer numbers, "the market will follow the boomers," said Laurel Cutler, vice chairman and worldwide director of marketing planning at FCB/Leber Katz Partners, New York. "The biggest thing that's happened to boomers is not how much they've aged but how much they've matured."

"What we're sensing is this is a group looking for more 'dazzle-and-delight-me' kinds of foods in terms of taste and flavor."

Anthony Adams
Campbell Soup Co.

She noted a trend to postponed from instant gratification that dovetails with what's now viewed as an excessive mid- to late 1980s.

Perhaps equally significant, Americans increasingly belie their physical age.

"The baby boom, unique as it is, is not moving in lockstep with age as generations did previously," said Barbara Caplan, a VP at Yankelovich Clancy Shulman. "It's not as if a bell rang and you start drinking coffee or stop wearing certain clothes. People now are not governed in such a conforming way."

For marketers that traditionally targeted age groups that are now shrinking, that's welcome news.

"We had a lot of concern historically that [demographic shifts] would have negative impact on our business," said Dwight Riskey, VP-new products and market research at Frito-Lay, a unit of PepsiCo, whose soft-drink and restaurant holdings also target youthful audiences.

"The Pepsi generation, people who basically grew up snacking on chips, are actually carrying their consumption patterns with them a lot more than some anticipated," Mr. Riskey said, referring to what social scientists call the "cohort phenomenon." "We believe at least half the category growth [of 4% last year] is attributable to that."

"This generation, more than other generations, tends to hang onto the values and attitudes of its youth," said Michael Porter, director of marketing at Stroh Brewery Co. "I don't see them suddenly turning off of beer. Perhaps their total consumption will decline, or they may alter their brand selections for reasons of alcohol or caloric intake, but I suspect they'll drink beer all their lives."

Still, marketers say they must adapt to changing tastes, even if consumers keep using many of the same products as they grow older. Many have already anticipated the population shifts.

Stroh cites the growth of low-alcohol and no-alcohol beers as one of the bright spots in the industry.

While Frito-Lay hasn't abandoned the fat- and sodium-laden chips on which its business was built, the company has tried to ensure steady growth with a flurry of new products that anticipate boomers' changing tastes.

In the past year alone, Frito-Lay has tested wheat-based Suprimos chips and introduced nationally Sunchips whole-grain snacks and "light" line extensions of several existing brands.

Surprisingly, most buyers of those products aren't current Ruffles eaters but "users we lost or never had in the first place," Mr. Riskey said.

Although snack foods are consumed most often by teen-agers, whimsical ads for the light products are aimed squarely at people ages 19 to 22, "the point at which we'd see some people dropping out of the category," he said.

Pepsi-Cola Co. itself is hedging its bets with H2Oh! sparkling water, All-Sport isotonic drinks and a heavier marketing emphasis on diet soft drinks, root beer and even morning consumption.

"Obviously, we have to look into other areas, dayparts, new products and audiences for volume growth," said Gary Gerdemann, Pepsi-Cola public relations manager, who prefers to attribute the shifts to competitive, not demographic reasons. "No market segment, product line or niche is safe. We're looking everywhere."

Cadbury Schweppes' Canada Dry brand has stepped up its boomer-targeted advertising, and A&W Brands has bought several niche products such as Squirt and Vernors, most targeting the 25-plus crowd.

"The minute we begin to see erosion in consumption [among our target audience], we would make changes in our media buying" by shifting ad dollars between TV and radio to target different age groups, said Paul St. Germain, VP-advertising at A&W.

Few businesses have reacted to the demographic shifts as deeply as the fast-food category, where companies have made radical shifts in their menus, their marketing and their operations.

McDonald's Corp., Burger King Corp. and Wendy's International added salads in the '80s to lure women ages 25 and older; McDonald's is now testing pizza and pasta as dinnertime-only entrees in a similar attempt to broaden its appeal.

"As the number of children declines, you will have a much larger group of people who, with college tuition for their kids out of the way, will have more discretionary income as they get into their mid-50s. Our marketing emphasis will have to be more on leisure and on travel packages."

Ed Stahl
ITT Sheraton Corp.

For several years now, the supermarket food business has expanded its lineup of upscale products to meet the more sophisticated tastes of older, more free-spending consumers.

"There's a high per capita spending on food as you get older, and that's good for lines such as premium dinners," said Anthony Adams, director of market research at Campbell Soup Co. "What we're sensing is this is a group looking for more 'dazzle-and-delight-me' kinds of foods in terms of taste and flavor."

Campbell has broadened its line of "healthy" foods and restaged its LeMenu LightStyle frozen dinners as LeMenu HealthyStyle, reaching a slightly older audience.

"For marketers like Campbell's that have been tried and true, we're saying, 'Get up there in your 40s and 50s!' " Mr. Adams said, adding that on average, Campbell's weakest link is with the now-shrinking 18-to-24 crowd.

"We've never done particularly well with that group," he said. "They felt they graduated from Campbell's when they left home."

Levi Strauss & Co.'s Dockers apparel line is among the most successful efforts to target aging yuppies. Introduced just five years ago, the line's sales are now more than $600 million, about 20% of Levi's total sales.

At the same time, Levi's has broadened its line of what the company calls "men's 25-plus" jeans to adapt to a broader man.

Reflecting sales trends, Levi's now splits its $33 million ad budget about equally between Dockers and traditional Levi's; in 1988, it spent only a third of its total budget on older-targeted denims.

"We've been looking at changing demographics for the last 10 years," said Dan Chew, Levi's marketing manager, who notes the market for the 25-plus group has grown by a million people a year in the past decade. "That's a business that's just too compelling to ignore."

Still, a potential problem: Older men currently buy an average of two pairs of denims a year, while the shrinking young adult population buys more than twice as many.

Joe Wissert

"Detroit lost the boomers, and now [automakers] are not focusing as they should on the post-boomer generation of 18-to-25-year-olds. Their habits are not formed, they don't have cars and now that Detroit's quality is far more competitive with Japan, they're not doing anything about getting them back."

Laurel Cutler
FCB/Leber Katz Partners

The domestic automobile business similarly has lost ground as baby-boomers have driven in droves to the import market—from luxury BMWs to economical Hyundais.

And, domestic car buyers might not move up to full-size cars the way their parents embraced station wagons, said Stephen Lyons, advertising manager for Ford Motor Co.'s Lincoln-Mercury Division.

"Detroit lost the boomers, and now [automakers] are not focusing as they should on the post-boomer generation of 18-to-25-year-olds," said FCB/Leber Katz's Ms. Cutler, a former vice chairman at Chrysler Corp. "Their habits are not formed, they don't have cars and now that Detroit's quality is far more competitive with Japan, they're not doing anything about getting them back."

Several marketers welcome the inexorable aging of the population, particularly those that cater to empty-nest parents with more to spend and more time to spend it.

"You are going to have a more affluent group with more discretionary income," said Ed Stahl, VP-advertising and marketing programming at ITT Sheraton Corp. "As the number of children declines, you will have a much larger group of people who, with college tuition for their kids out of the way, will have more discretionary income as they get into their mid-50s. Our marketing emphasis will have to be more on leisure and on travel packages."

Mr. Stahl will tread carefully, since older consumers "don't want to be singled out" and told they're old, he said.

Sheraton and other marketers must keep them in mind in subtler ways, he said; "We also have to be sensitive to type size in ads."

Hollywood, too, reflects the demographic shift.

Moviegoers older than 40 accounted for 23% of theater admissions in 1989, up from 14% in 1986, according to Motion Picture Association of America estimates, while 12-to-20-year-olds fell to 30% from 35%.

David Lawrence

"The Pepsi generation, people who basically grew up snacking on chips, are actually carrying their consumption patterns with them a lot more than some anticipated."

Dwight Riskey
Frito-Lay

Those changing demographics are a large part of the success of what Hollywood calls "story-driven" films, like last year's "Pretty Woman," "Ghost" and "Dances With Wolves," said Jack Holland, VP-marketing at AMC Theaters, the nation's second-largest exhibitor.

"There are going to be fewer films for mindless young boys with Los Angeles high-school educations," said Barry Lorie, exec VP-marketing, MGM-Pathe Entertainment.

But the changes as America ages will be more than skin deep.

"The shift as the baby-boomers move through the generations will be in product mix," said Dan Brestle, president of Estee Lauder Cos.' Prescriptives USA unit. Older consumers need products for dry skin, for example, and Prescriptives expects moisturizers and creams—said to be among the most profitable cosmetics lines—to account for a larger proportion of sales.

Mr. Brestle said Prescriptives has de-emphasized appeals to specific age groups in its advertising entirely and now rarely uses models at all. □

Next week: How the shrinking of the 18-to-34 demographic group is affecting media.

Ad Age bureaus contributed to this story.

NOTE

ONLY THE FOLLOWING PAGES OF THIS

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Advertising Age

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LAST MINUTE NEWS

Puritan oil returns to Grey

CINCINNATI—Procter & Gamble Co. moved its $10 million Puritan oil account back to Grey Advertising from N W Ayer, both New York. Grey already has the company's $11 million Crisco account. The account moved to Ayer last summer; the move back to Grey was prompted by the decision to market both brands under the Crisco banner.

Tambrands review on hold?

LAKE SUCCESS, N.Y.—The $30 million-plus Tambrands account review has apparently been delayed following the departure of VP-Marketing Celene Varasano. Sources said the three finalists, incumbent Ally & Gargano, BBDO Worldwide and McCann-Erickson Worldwide, all New York, had expected a decision as early as this week. But now, the shops are slated to meet Aug. 8 with Tambrands CEO Martin Emmett. A company spokesman wouldn't confirm the meeting; he confirmed Ms. Varasano's departure but said it wouldn't affect the review.

Carat, Espace split up

PARIS—The stormy media buying partnership between Carat Espace and Eurocom has ended after slightly more

(Continued on Page 8)

AmEx eyes K-III deal

Possible magazine 'alliance' could help both

By Scott Donaton

NEW YORK—American Express Co. may soon approach K-III Holdings to discuss some form of "strategic alliance" of their consumer magazine operations, said a source familiar with AmEx's plans.

It's unclear what shape such an alliance might take, but the possibilities ranged from an outright merger of the publishing companies to the formation of an ad sales partnership, the source said.

However, it appears likely Thomas O. Ryder, president-executive publisher of American Express Publishing Corp., would oversee the combined company if a merger results.

AmEx and K-III executives declined comment late last week.

K-III, a partnership controlled by investment banker Kohlberg Kravis Roberts & Co., last month completed a $650 million acquisition of nine publications, including eight consumer magazines, from Rupert Murdoch's News Corp.

"Anything's possible because K-III is run by money people, not magazine people."

The company is nearing the conclusion of a search for a president to oversee the consumer magazines, and observers had speculated K-III might try to acquire AmEx's magazine group and/or hire Mr. Ryder, a respected magazine industry veteran.

The source close to AmEx said a more likely scenario would be a joint venture between the two companies.

"This notion of putting together a big company . . . is not a crazy notion," the source said. "In all [the rumors], there is a nugget of an idea."

Mr. Ryder's mandate is to boost AmEx Publishing, the source said, and it appeared unlikely he would leave AmEx since he's considered a potential successor to Chairman-CEO James Robinson. In addition to the

(Continued on Page 38)

Cost-cutting about-face

Nestle, Unilever trying to ensure agency pay adequate

By Laurel Wentz

Nestle and Unilever, two of the world's largest consumer-product marketers, are looking at loosening the purse strings with their ad agencies.

The marketers, which combined spend an estimated $5 billion on advertising worldwide, seem to have separately concluded that the industry's rampant compensation-cutting trend may have sliced too deep.

"The tendency of the industry has been too hard on the agencies to cut down commissions," said Michel Reinarz, director of visual communication for Nestle. "As a big advertiser, we see the need to maintain the quality of agencies."

"The tendency of the industry has been too hard on the agencies to cut down commissions."

He said Nestle, spending about $1.5 billion a year on advertising worldwide, has put together its first compensation policy dealing with the issue.

Nestle uses five preferred agencies: McCann-Erickson Worldwide, Ogilvy & Mather, Lintas:Worldwide, J. Walter Thompson Co. and Publicis FCB.

"Both [Nestle and Unilever] have listened to the pros and cons and are determined compensation should not be settled at too low a level and locally," said an agency executive familiar with both companies. "They

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Skinless: McDonald's tests roasted chicken to battle KFC. **Page 2**

Ad packages: Conde Nast studies corporate ad flexibility. **Page 3**

What's in, what's out on shopping lists
Dollar sales, first quarter 1991 vs. first quarter 1990.
Canned soups: +7%
Dry soups: +7%
Frozen pizza: +5%
Packaged dry dinners: +5%
Frozen breakfasts: +3.5%
Refrigerated juices: +2%
JOHN SMITHER

Recession stalks food aisles

By Jonathan Dahl and Julie Liesse

The packaged food industry, long considered recession-proof, is proving vulnerable to a weak economy after all.

The bottom line is that consumers aren't necessarily eating any less than before but they're eating cheaper, industry experts say.

During the height of the recession, in the first quarter of this year, retail-food dollar volume fell 1.4%, say food industry executives who acknowledged the downturn caught them by surprise.

"Our original philosophy was that the recession wouldn't affect retail food sales," said Stop & Shop Supermarkets Chairman John Y. Lee. "We figured people wouldn't eat out as much and supermarket sales volume would increase. But there's been a drop."

Also, what's being bought in supermarkets is being bought in the cheap.

Marketers are spending and more cautiously, and consumers are redeeming more store, manufacturer coupons, CMS

Coupon use will be up 2% to 3% this year to 7.5 billion, all in short supply, in the face of a dip in coupon redemption, said Kris Prasad, CMS' marketing research manager.

Private label brands are on the upswing, too.

"I'm increasing my private label advertising to give the

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NEWS SUMMARY

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- **Conde Nast Publications** is considering a more flexible ad rate structure as well as new ad packages. 3
- **Sequential liability** ad contract language is being used by only two of the top 10 U.S. agencies. 3
- **Gasoline companies** are putting more environmental messages and themes into their marketing efforts. 3
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ABP MPA ABC

Burnett tests hookup with Atlanta agency

By Scott Hume

CHICAGO—Leo Burnett Co. has established a non-equity partnership with an Atlanta agency and is considering similar arrangements in other markets.

The move represents a softening of the No. 1 U.S. agency's traditional aversion to branch offices.

Leo Burnett USA, national agency for General Motors Corp.'s Oldsmobile division, has been quietly working in tandem with Anderson, Dusenbury & Alban, a year-old shop that handles the Southern Olds Family, the local Oldsmobile dealers association.

The two agencies are sharing national marketing plans, local perspectives on promotions and local retailer reaction to national programs. Burnett also makes available training programs, consumer research and media analysis.

The partnership is a test to "determine whether strong cooperation with strong regional agencies will better build our clients' local business in specific markets," said Jim Oates, vice chairman-client services for Leo Burnett USA.

The agency is exploring similar cooperative agreements with shops in other markets where they share clients with local distribution networks. That could include such Burnett clients as Black & Decker Corp., McDonald's Corp., Miller Brewing Co., Schenley Industries and Seven-Up Co.

But the agency said it's still evaluating Atlanta and is simply studying whether to extend the approach.

Burnett USA had billings last year of $2.035 billion. It has service/production offices in Los Angeles, New York and Southfield, Mich., but traditionally has centralized account services, creative and media functions at its headquarters and has shunned opening branch offices.

The agency is casting local-area marketing services as an extension of the Retail Marketing Group, formed in January. That unit encompasses sales promotion and event marketing services; another internal division handles direct marketing.

Anderson President Ernest Anderson worked as an account exec at Burnett from 1967 to 1971, when he moved to Atlanta. In 1990, the agency's first year, it had billings of $10.5 million. It also handles regional work for Lanier Worldwide's voice products and NAPA automotive stores. □

McD pecks at KFC's turf

By Scott Hume

McDonald's Corp. is getting serious about going head to head with chicken champ Kentucky Fried Chicken Corp.

McDonald's is testing skinless, oven-roasted chicken in four stores in Kankakee, Ill., while it expands the availability of fried chicken wings in Chicago and several other urban markets.

A McDonald's Corp. spokeswoman confirmed the four-store test, which she called "an operational test." The spokeswoman said it's too early for the company to decide whether to expand the test.

Two years ago, franchisees in Texas briefly tested fried chicken, but McDonald's now believes skinless, roast chicken better meets consumer health concerns.

McDonald's latest chicken product, sold from 10:30 a.m. until closing, is priced at $1.99 for a leg and thigh; $2.99 for a leg, thigh and breast; and $7.99 for a nine-piece box. A two-piece "meal combo" with fries and coleslaw is priced at $2.99; the three-piece combo is $3.99.

Advertising has been limited to point-of-purchase merchandising. McDonald's national agency, Leo Burnett USA, Chicago, is handling the test's promotional materials.

McDonald's is trying special ovens as well as its current ovens, used for baking biscuits, to roast chicken, the spokeswoman said.

McDonald's per-store sales have been declining quarterly for more than two years.

KFC apparently agrees about going skinless. Earlier this month, the chicken leader changed to Skinfree Crispy the name of a skinless fried chicken now rolling national. The product, previously called Lite'n Crispy, is available in stores in the Northeast and Southeast but should be national by yearend.

Where sold, the skinless product already accounts for one-third of sales, the company said.

In Midwest and Western markets not selling Skinfree Crispy, KFC has been selling Honey BBQ Wings, as well as the Hot Wings product it introduced nationally last year. KFC also continues to test its own version of roast chicken in Las Vegas stores.

Young & Rubicam, New York, handles KFC's national advertising.

Chicken chains accounted for sales of $5.22 billion in 1990, or 9.8% of the $53.5 billion in total sales by the top 100 fast-food chains, according to Technomic, a consultancy. KFC's $3.2 billion in U.S. sales gave it a commanding 61.5% share.

Hamburger chains had sales of $27 billion, of which McDonald's $12.25 billion represents 45.4%.

But McDonald's per-store sales have been declining quarterly for more than two years, pushing the chain to look at more and different menu items to spark consumer interest.

It recently added Chicken Fajitas and a Breakfast Burrito to its menu nationally as limited-time items. □

Jordan jumping for Gatorade

By Julie Liesse

CHICAGO—Quaker Oats Co. in early August plans to announce the signing of Michael Jordan as Gatorade spokesman.

Quaker already has filmed TV spots with the Chicago Bulls superstar and has produced a magazine insert scheduled for a late summer debut, said sources close to the deal.

To maintain secrecy, Quaker agency Bayer Bess Vanderwarker and Mr. Jordan's management team filmed the spots abroad, these sources said.

Mr. Jordan and his representatives at ProServ also likely felt a need to observe his Coca-Cola Co. contract, which expires July 31.

Quaker executives officially would say only that no contract with Mr. Jordan has been signed yet; ProServ officials refused to confirm or deny the reports, which initially surfaced during the National Basketball Association playoffs (AA, June 10).

M. Jordan

Luring Mr. Jordan is a reported $18 million, multiyear deal with Gatorade, and a starring role in the sports drink's advertising. He's been a peripheral part of the multifaceted advertising for Coca-Cola Classic—appearing in only two TV spots, albeit heavy media buys.

Coca-Cola last week said it was still negotiating with Mr. Jordan.

Coca-Cola spokesman Bob Bertini said the current spot starring Mr. Jordan is scheduled to run through the end of this month.

Industry estimates pin Mr. Jordan's total endorsement fees at $11 million to $15 million yearly, in deals with a broad range of local and national marketers including Nike, McDonald's Corp., General Mills' Wheaties, Chevrolet dealers and Sara Lee Corp.'s Hanes underwear.

Gatorade, which five years ago was cautious about its ties to specific professional athletes in U.S. advertising, has more aggressively sought to capitalize on the ubiquitous presence of its orange coolers on the sidelines of most major league baseball, football and basketball games.

Quaker traditionally spends about $30 million a year in media advertising for Gatorade in the U.S., via Bayer Bess. □

Alison Fahey and Steven W. Colford contributed to this story.

Tune in, drop out

Network viewers least likely to switch channels

By Joe Mandese

TV viewers are less likely to tune out network TV shows than programming on other TV outlets, the Network Television Association reports.

MEDIA WORKS

A recent study based on prime-time viewing patterns in four major markets shows viewers are less likely to tune out highly rated shows. Since the Big 3 broadcast networks have the greatest share of high-rated programming, the association's study concludes network TV viewers are the least likely to change channels.

Conducted Nov. 12 to 18, the study shows that during the average 30-second viewing segment, only 2.9% of the Big 3's viewers tuned to another channel, while 4.2% of Fox Broadcasting Co.'s viewers zapped its shows *(see chart)*. Independent TV stations lost an average of 5.2% of their audience to viewer volatility; among cable networks Cable News Network, ESPN, the Family Channel, WTBS and USA Network, an average of 9.8% of audiences tuned out.

The association's findings appear to contradict research conducted by now-defunct research company Television Audience Assessment. During the mid-1980s, that group's research indicated viewer involvement was more tied to a show's content than its ratings. For example, with CBS' highly rated shows "60 Minutes" and "The Dukes of Hazzard," viewers were more involved and less likely to tune out "60 Minutes" than "Dukes."

The study says the more involved viewers were with a TV program, the more likely they would stay tuned to commercials during that program. □

Don't touch that dial!
TV viewers are more likely to zap a low-rated show than a high-rated one. Because the networks have the highest-rated shows, their audience is the least likely to tune out. Here's the percentage of total audience that changed channels during a show.
2.9%
4.2%
5.2%
9.8%
ABC, CBS, NBC (avg.)
Fox
Independent stations
Cable (5 network avg.)
Source: Network Television Association

HOLLY SEGUINE/KIMBERLY MART

LAUNCHING PAD

New publication launches.

'CrimeBeat'

54 Corp. will introduce with a September issue *CrimeBeat*, a monthly targeting viewers of TV crime shows such as "America's Most Wanted" and "Unsolved Mysteries." The cover price is $2.50. A b&w page is $1,500; a color page is $2,000. T.E.D. Klein is editor; Joseph Coleman is ad director. Offices are at 10 E. 39th St., Suite 1127, New York 10016. Phone: (212) 683-1017.

'Tricycle: The Buddhist Review'

Buddhist Ray Inc. introduces with an August/September issue *Tricycle: The Buddhist Review*, a general-interest quarterly carrying stories on art, photography, poetry and film. Rate base is 20,000. A b&w page is $825. Helen Tworkov is editor, and Mark Hannafin is ad director. Offices are at 163 W. 22nd St., New York 10011. Phone: (212) 645-1143.

'Exit Travel Magazine'

Exit Travel & Promotions has introduced with a summer issue

TV viewers on the crime beat are the target of a new monthly.

Exit Travel Magazine, targeting black tourists. Features include profiles on black organizations and executives in hospitality and travel industries. The magazine will publish twice a year. Controlled circulation is 175,000. A b&w page costs $5,750; a color page is $8,250. Cheryl Rafra is publisher, Paulette Quann is editor and George Jackson is ad director. Offices are at 1 Lincoln Plaza, Suite 30V, New York 10023. Phone: (212) 787-4040.

'Designers World'

Designers World Corp. will introduce in September *Designers World*, a monthly companion to interior design magazine *Designers West*. Rate base is 18,000. A b&w page is $2,400; a color page is $2,900. Walton E. Brown is publisher and ad director; Carol King is editor. Offices are at 8914 Santa Monica Blvd., Los Angeles 90069. Phone: (213) 657-8231.

'Physicians Food Advisor'

Cahners Healthcare Publishing Group, publisher of *The American Journal of Medicine*, will introduce with a September issue *Physicians Food Advisor*, a nutrition journal for doctors. The quarterly features information from package-foods marketers and restaurant chains. Controlled circulation is 84,000. A b&w page is $7,780; a color page is $9,730. Steve Claps is publisher and ad director; Joseph Angione is editor. Offices are at 249 W. 17th St., New York 10011. Phone: (212) 463-6445. □

NEWSSTAND

Advertising opportunities in print.

Working Woman, New York, "85 best companies for working mothers" special editorial section, October issue; ad close: July 17. B&w page: $20,458; color page: $24,960.

Parade, New York, "Simple garden vegetables made special" special editorial section, Aug. 18 issue; ad close: July 18. Color page: $338,100.

USA Today, New York, "PGA championships" special section, Aug. 8 issue; ad close: July 18. B&w page: $66,131; color page: $85,971.

Cosmopolitan, New York, "Women in love" special advertising section, October issue; ad close: July 19. B&w page: $47,590; color page: $64,045.

Metropolitan Home, New York, "Elegant renovation" special advertising section, October issue; ad close: July 19. B&w page: $27,095; color page: $36,125.

California, Los Angeles, "Mexico" special advertising section, September issue; ad close: July 22. B&w page: $15,755; color page: $21,010.

1,001 Home Ideas, New York, "Nutritional lunchbox" special ad section, October issue; ad close: July 22. Color page: $39,350.

Golf Digest, Trumbull, Conn., "Golf course real estate" special advertising section, October issue; ad close: July 23. B&w page: $43,150; color page: $64,730.

Nation's Business, Washington, "Computers, the portable office" special ad section, September issue; ad close: July 25. B&w page: $24,590; color page: $36,790.

Newsweek, New York, "Your hon[illegible]" special ad section, Sept. 9 [illegible]d close: July 26. B&w page: $2[illegible]5, color page: $46,200.

The New York Times, New York, "The good health magazine" special edition, Oct. 6 issue; ad close: July 29 (color), Aug. 20 (b&w). B&w page: $29,185; color page: $42,570.

Joe Mandese coordinates MediaWorks.

MEDIA MIX

Public broadcasting station-member magazines hope a combination buy will lure more national marketers.

PBS title network woos national ads

News briefs on print, electronic and alternative media.

Networking. The member magazines of six public broadcasting TV stations have joined forces to create the Public Broadcasting National Print Network in an effort to attract more national ads. The upscale monthlies have a combined paid circulation of 951,000 in Chicago, Los Angeles, Philadelphia, San Diego, Seattle and Washington. A b&w page with the network is $18,635; a color page is $26,289. Target categories include travel, books, entertainment and the arts, said Gwyn Price, West Coast network manager and ad director of *On Air*, the member magazine of KPBS-TV, San Diego. The magazines had relied on local ads and a handful of national ads from the underwriters of public television. At least one more title is expected to join by yearend.

Student orientation. Modern Talking Pictures Service, New York, in September introduces Modern College TV, running on monitors in high-traffic areas on 160 college campuses, targeting 1.8 million students. The video digest carries programming developed monthly as well as spots ranging from 30 seconds to 3-minute infomercials. Four half-hour segments run continuously for a month. A :30 costs $5,625, a :60 is $11,250 and a 3-minute slot is $33,000. Advertisers already signed include package goods and finanical services marketers as well as the federal government.

Impersonating a winner. Black Entertainment Television, Burger King Corp., Delta Air Lines and *Essence* have teamed for the Burger King "True Identity" contest. Through Aug. 1, contestants call a 900 number and record their 30-second celebrity impersonation. The 10 best win a trip to Pleasure Island for the premiere of "True Identity," from Walt Disney Co.'s Touchstone Films. An ad in *Essence* and a spot on BET support. Uni-World Group, New York, handles the promotion for Burger King. Buena Vista Pictures, Los Angeles, handles for the others.

National Lampoon tries TV. National Lampoon Inc., Los Angeles, this month launches its first national TV campaign with spots on cable networks including MTV: Music Television, VH-1: Video Hits One and Nickelodeon. A second flight breaks in the fall on independent TV stations in the top 20 markets, targeting men 18 to 34. Direct Response Marketing, Encino, Calif., handles.

Off-net is on target. Off-network series and purchased movies give basic cable networks the highest ratings, according to a Warner Bros. study released last week. Research of first-quarter viewership of eight leading basic cable networks showed "popular, high-quality, off-net series are basic cable's highest-rated daily programming and acquired movies—theatrical and off-network made-for-TV features—are basic cable's highest-rated non-sports-related one-time programming," said Edward Bleier, president of Warner Bros. Pay-TV, Animation & Network Features. □

NEW AD RATES

Americana, New York: Rate base unchanged at 200,000; b&w page to $5995, up 5%; color page unchanged at $8580.00; b&w cost per thousand to $30.00, up 5%; color CPM unchanged at $43.00. Effective: November/December issue.

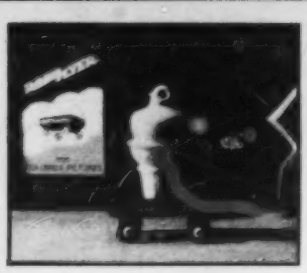
Country America, Des Moines, Iowa: Rate base to 700,000, up 7.7%; b&w page to $18,350, color page to $26,210, both up 4%; b&w CPM to $26.21, down 3.5%; color CPM to $37.44, down 3.4%. Effective: September issue.

Details, New York: Rate base to 125,000, up 25%; b&w page to $7,500, color page to $11,250, both up 25%; b&w CPM to $60, color CPM to $90, both unchanged. Effective: July issue.

Midwest Living, Des Moines, Iowa: Rate base unchanged at 650,000; b&w page to $15,200, color page to $21,800, both up 7%; b&w CPM to $23.38, color CPM to $33.54, both up 7%. Effective: March/April issue.

Philadelphia, Philadelphia: Rate base unchanged at 140,000; b&w page to $6,675, color page to $9,945, both up 6%; b&w CPM to $47.67, color CPM to $71, both up 6%. Effective: March issue.

Utne Reader, Minneapolis: Rate base to 240,000, up 7%; b&w page to $7,120, color page to $10,325, both up 10%; b&w CPM to $29.67, color CPM to $43.10, both up 3%. Effective: July/August issue. □



Dairy Queen 'Flyer'

International Dairy Queen joins the kids meal bandwagon today, breaking its first advertising targeted to children. The 30-second TV commercial supports its new Dairy Queen Treatmeal and announces a premium tie-in with Columbia Pictures' "Radio Flyer." The film is planned for fall release. Campbell-Mithun-Esty, Minneapolis, created the animated spot, which is airing in 80 spot markets nationally.

Juice & More, or less

Gerber stops test of adult drink after 10 months

By John P. Cortez

Gerber Products Co.'s latest foray into adult foods is over after less than a year.

Gerber has stopped production of Juice & More, a fiber-fortified beverage aimed at health-conscious adults. The baby food marketer had been testing the product on the East Coast since last September.

The termination signals the end of Gerber's latest attempt to move its brand name into the adult market.

"The company is directing all its efforts toward its Superbrand strategy," said spokesman Jim Lovejoy, adding that Gerber products will be aimed squarely at children 3 and under. Gerber has positioned itself as a "Superbrand" that provides food, clothing and care items for infants and toddlers under one brand name.

Gerber's investment in Juice & More totaled nearly $20 million, but the beverage failed to make much of a dent in the $8.4 billion U.S. juice market. The juice was sold in 7,000 supermarkets in 10 Eastern cities.

A 1960s attempt at selling single-serving entrees to older adults also failed.

"Adults don't like to eat or drink baby products," said Roger Spencer, analyst with PaineWebber.

Gerber dominates the U.S. baby food industry with a 72% share of the $940 million market in 1990. In the fiscal year ended March 31, the company reported earnings were up 19% to $112.8 million on sales of $1.2 billion, up 3.7%.

J. Walter Thompson USA, Chicago, handled Juice & More until February, when Gerber consolidated its $15 million to $20 million baby food and general merchandise account at Grey Advertising, New York. □

Food

(Continued from Page 1)

impression that Sloan's offers a lower-price shopping trip," Mr. Rose said.

Consumer belt tightening is putting the heat on food marketers to meet volume goals by yearend, and many are responding by pouring on price promotions.

"Manufacturers are promoting the bejesus out of the business," said Gary Stibel, principal of the New England Consulting Group. "[They] have to make their quarterly [profit] numbers, and they're panicking."

"Manufacturers are promoting the bejesus out of the business. [They] have to make their quarterly [profit] numbers, and they're panicking."

The recession has been a mixed blessing for some companies, which had strong first-quarter sales in low-price lines while more expensive ones slipped.

Best Foods President Robert Gillespie said sales of the company's Thomas English muffins declined last year but the company's less expensive bread lines picked up—a trend that continued into the first quarter of 1991.

Dollar sales of English muffins declined 7% during the quarter and volume was down 4%, according to Information Resources Inc.'s InfoScan service. And while fresh-bread dollar volume overall was down 1% in the first quarter, lower-price lines such as Interstate Brands Corp.'s Butternut and Ralston Purina Co.'s Wonder were up 2% each.

The situation is similar at Campbell Soup Co., where the premium-price Pepperidge Farm line of bakery products showed volume declines of up to 7% during the company's fiscal 1991 ending July 31, but the value-price Swanson frozen dinner line scored a 15% record volume gain.

The company's inexpensively priced condensed-soup line is also up 4% after years of flat growth, said Campbell North America President Herb Baum.

Campbell, in fact, tried to turn the recession to its advantage in a trade ad that ran in February in *Supermarket News*, promoting a survey in which homemakers cited Campbell as the brand name they turn to "in tough times." FCB/LGK, Philadelphia, handles Campbell's trade account.

While trading down is common in recessions, consumer reaction in this recession is unlike past ones, said John Blair, VP-marketing services at Quaker Oats Co.

"Not all the same kinds of foods are doing well," he said. "We've seen a bit of a response in staple products like pancake mix, but it's not the response we saw in the last recession—nor have we seen a sales surge in hot cereals as we did last time."

Consumers are also more resistant to price increases, said Best Foods' Mr. Gillespie. He cited his company's Skippy peanut butter, which was raised in price earlier this year due to a poor crop.

"Peanut butter is a more price-sensitive category than even two or three years ago and much more than in the last recession," he said.

According to InfoScan, peanut butter pound volume in supermarkets plunged 11% in the first quarter.

Higher resistance to price increases is also hurting olive oil, a category that enjoyed consistent double-digit volume gains in the 1980s.

"The updraft driving the frozen category is the microwave."

Bertolli USA President Bill Monroe said a poor olive crop led the company to hike the price of a half-liter bottle 27.1% to $4.69 and unit sales plummeted 20% in the first quarter.

The price hike was followed by competitors and category unit volume sputtered down by 10%, he said.

As a result, Mr. Monroe said, Bertolli will spend "less than $1 million on advertising" in the second half, shifting a remaining $2 million initially earmarked for advertising into couponing and co-op ads with retailers.

The recession has also slowed the growth of orange juice consumption, said Bob Behr, economic research director for the Florida Department of Citrus. That led the department to reconfigure its 18% sales increase prediction for 1991 downward to 13%.

But chilled orange juice consumption is still up, indicating consumers' need for convenience may outweigh their need to save money, a phenomenon that's also apparent in frozen dinners and entrees.

InfoScan reports frozen dinner and entree dollar sales up 2%, with unit volume down; but Quaker's Mr. Blair said the market seems to be more protected this time around.

"The updraft driving the frozen category is the microwave," he said.

And as consumers look to save money, a few frozen food categories may actually benefit. Frozen breakfast sales jumped 3.5% in the first quarter while the $1.1 billion frozen pizza market rose 5%, IRI says.

Although some observers believe those sales are coming at the expense of fast-food marketers like McDonald's Corp. and Domino's Pizza, the restaurant industry in general seems to be faring better than many expected.

"Foodservice still is outperforming supermarkets," said Ron Paul, president of Technomic Consultants, a restaurant consulting company.

The industry showed 0.1% real growth for the 12 months ended in April 1991, compared with the 12 months ended April 1990, he said. Despite an 0.8% drop in real growth in January compared with the same period a year ago, Technomic recorded a 0.2% rise in real growth in February.

But for supermarket brands, there may be no upturn until at least the fourth quarter of this year, consultant Mr. Stibel said.

"Foodservice still is outperforming supermarkets."

"On average, 1991 will turn out to be a poor year for the advertising industry," he said. "Manufacturers who had not prepared for the recession will have to continue to dramatically trim their investment spending." □

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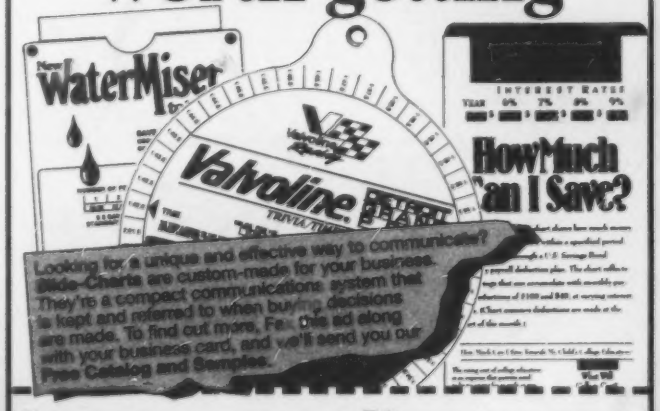
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Liability

(Continued from Page 3)

solely liable for payment to the extent proceeds have cleared from the Advertiser to the Agency for advertising published in accordance with the contract. For sums owing but not cleared to the Agency, the [media company] agrees to hold the Advertiser named on the face of this form solely liable."

Some large agencies, including McCann-Erickson Worldwide, said they support sequential liability but were waiting to review the Four A's language before proceeding.

Other agencies said the issue had to be approached on a client-by-client, media-by-media basis and could take a while to resolve.

The problems with getting media companies to accept sequential liability contracts were outlined in a bulletin sent to Four A's members in June. In the bulletin, agencies were advised that they have three choices if a sequential liability contract is rejected: "1) With your client's agreement, you can refuse to place the order under any terms other than those of sequential liability. 2) You can continue to use an insertion order or contract having sole liability language, but your client should be made aware that media use of different liability language could, under the worst circumstances, mean that an advertiser might have to pay twice. 3) You can accept the liability terms proposed by the medium. If you do this, your client should be aware of his potential 'double exposure' if dual liability is imposed." □

Joe Mandese and Scott Hume contributed to this story.

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July 22, 1991

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Two magazines, *Self* and *YM*, rejected Benetton's ad showing a priest and nun kissing. Another ad in the campaign shows a baby with the umbilical cord still attached.

Benetton gets the kiss-off

Magazines say no to retailer's fall ads

By Gary Levin

Benetton will live up to its reputation for controversy with a new fall ad campaign, portions of which have already been nixed by a half-dozen magazines.

The Italian sportswear retailer's latest advertising tops earlier efforts in shock and publicity value, which have cemented Benetton's reputation as an offbeat, socially conscious company.

Benetton's new images include a priest kissing a nun; a placenta-covered newborn baby with the umbilical cord still attached; and what the company calls an "angelic" white girl and a "dark and mysterious" black boy, replete with devilish horns.

The $3.5 million U.S. magazine campaign, part of a 92-country initiative, breaks in August issues of magazines and represents half of Benetton's domestic budget. But the U.S., with just 500 of the company's 6,300 stores, is a relatively small market for Benetton, which pegs its total marketing budget at $78 million.

J. Walter Thompson USA, New York, handles U.S. media planning and buying; creative is handled by Oliviero To-

(Continued on Page 40)

Politics '92 seen as local ad bonanza

By Steven W. Colford

Despite a one-sided presidential race, the politics of 1992 could provide an unprecedented injection of ad dollars for local media and agencies.

The magic word is redistricting, that consequence of the decennial U.S. census that reshapes political boundaries.

"Redistricting will dramatically increase the level of competition and campaign advertising."

California, Florida and Texas are likely to benefit most from the political ad fallout because these states are gaining congressional seats and will witness more races—and media spending—than before.

With states such as New York, Illinois and Pennsylvania losing seats, there's the possibility of two incumbents, possibly from the same party, vying for the same spot.

Another factor: the ever-growing number of ballot initiatives, ranging from no-fault insurance to term limitation for state legislators.

"Redistricting will dramatically increase the level of

(Continued on Page 39)

No recovery in sight

Dim final quarter expected as page slump hits 20-year low

By Scott Donaton

Following the weakest half-year in ad sales in more than two decades and a sluggish summer, magazine publishers' hopes of a fourth-quarter turnaround have all but vanished.

Most publishing executives now agree the ad-page slide that began 20 months ago has hit bottom, but they don't expect an uptick until the first or second quarter of '92.

"Things are looking a little better for the fall, but it's not spelling recovery," said James Kopper, exec VP-group publisher at Times Mirror Magazines.

"I hear business is getting better, but I haven't seen it," said S. Christopher Meigher III, president of Time Inc. Magazine Co.'s New York Magazine Division.

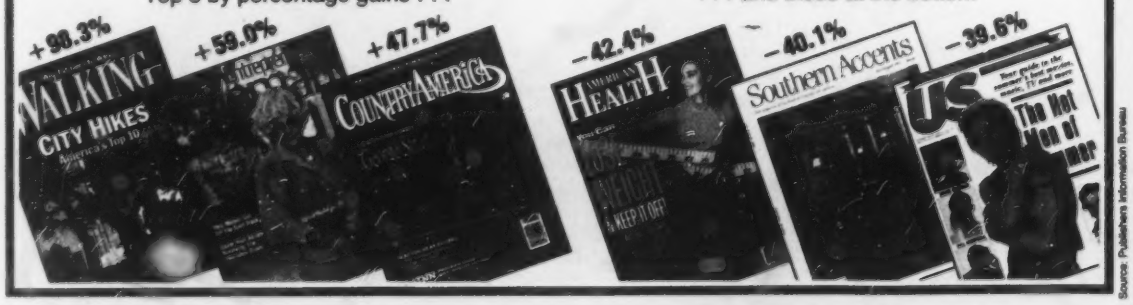
And while publishers expect business to improve in 1992, the outlook for the year is somewhat less optimistic than it was several months ago.

"The word I'm getting from the agency side is that

(Continued on Page 38)

Magazines: First-half winners and losers

Top 3 by percentage gains . . . . . and those at the bottom



Source: Publishers Information Bureau

LAST MINUTE NEWS

'National' may be revived

NEW YORK—*The National* is attracting the interest of several parties seeking to revive the sports daily. "There are ongoing discussions about the acquisition of *The National*," said Stephen Hammond, a spokesman for the paper's owner, Mexican media mogul Emilio Azcarraga Milmo. He said several groups have come to Mr. Azcarraga with plans to reincarnate the paper in various forms but "nothing has been decided." One rumor is that a group wants to relaunch the paper on the East Coast this fall.

Calif. tobacco bill advances

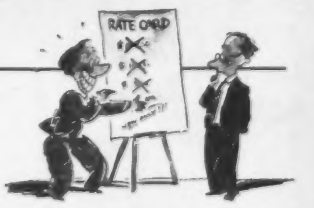
SACRAMENTO, Calif.—Gov. Pete Wilson is expected to sign a sweeping tobacco education bill that includes an annual budget of $16 million for three years for anti-smoking ads. The measure, approved by lawmakers last week, would allow the state to continue a controversial campaign previously budgeted at $28.6 million for 18 months. The state expects to send out to agencies a request for proposals by September; Livingston & Keye, Venice, is the incumbent.

O&M in trouble at Smith Barney?

NEW YORK—Smith, Barney & Co. is meeting with agencies about its account, now at Ogilvy & Mather, sources said. The account, which billed $8.5 million as recently as 1987, has been largely inactive recently. A Smith Barney spokesman said the brokerage has met with other agencies from time to time, but wouldn't confirm or deny whether there was a formal review under way. O&M, Smith Barney's agency since 1979, created the celebrated "They

(Continued on Page 8)

INSIDE



Media Buying & Planning: How do they rate? Buyers tell sellers in no uncertain terms. **After Page 24**

Demographics: Boomers create baby boomlet. **Page 3**

NEWS SUMMARY

■ **Benetton** continues with controversial offbeat ads in its fall campaign, and a number of U.S. magazines have already turned down some of them. 1

■ **Magazine publishers** think the ad page falloff has hit bottom, but don't expect a recovery until early 1992. 1

■ **Political advertising** volume should increase next year, due to congressional redistricting in many states and more ballot questions in local elections. 1

■ **Seiko Corp.'s** first global marketing effort will be tied to its roll as offical timekeeper of the 1992 Summer Olympics. 3

■ **Network TV sales** for next season are veering into prime time and daytime, and away from previously hot segments. 3

■ **Black-oriented movie** advertising and promotions may be changed following the violence connected with Columbia Pictures' "Boyz N the Hood." 3

■ **Global advertising** is attracting new marketers as a number of developments lead to more brands sold worldwide. 4

■ **Procter & Gamble** has entered into a joint venture in Argentina with Eguimad, a privately held marketer of paper products, including disposable diapers and sanitary napkins. 4

■ **Kraft General Foods** will test market Eating Right frozen dessert, a reduced-fat, reduced-calories line in 10 flavors. 4

■ **Bank mergers** around the country may mean fewer accounts for advertising agencies. 6

■ **Integrated marketing** communications, sometimes called the "new advertising," is being inhibited by "agency egos," says a University of Colorado study. 6

■ **Guy Day,** a founder of Chiat/Day/Mojo, has joined McElligott Wright Morrison White as vice chairman. 6

■ **Banks** are expending more marketing efforts on attracting affluent customers and their large bank balances. 12

■ **Steven Dworin** left as senior VP of J. Walter Thompson USA to become president of the Deutsch agency. 25

■ **Sears, Roebuck & Co.** introduced KidVantage, a warranty and discount program for children's apparel. 30

■ **US Sprint's** first TV effort for its international service, Sprint World, features Candice Bergen delivering her pitch in French, with English subtitles. 37

■ **Ford Division** will use fewer magazines but more frequency in its 1992-model print advertising campaign. 37

■ **Network TV scatter buys** for the 1991-92 season are termed extremely soft. 38

■ **Burger King** is offering H.J. Heinz Co.'s Weight Watchers' entrees in a Miami test, furthering a trend among food marketers that may alienate supermarkets. 40

■ **Walt Disney Co.** plans a $25 million budget to promote its limited videocassette release of "Fantasia" next fall. Other video marketers also plan heavy holiday advertising. 41

■ **World Gold Council** will introduce Goldmark, an international brand mark for gold jewelry. 42

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Fiat selects Testa for pan-Europe drive

By Michelle McCarter

ROME—Italian auto marketer Fiat is consolidating the nearly $90 million pan-European account for its Lancia passenger cars with the Gruppo Armando Testa agency network.

Vittorio Rava, Fiat's director of advertising, confirmed the deal and said it hasn't been decided yet whether Testa will create a single pan-European campaign for Lancia or separate campaigns targeting individual markets.

That decision will be made in September, he said.

"Armando Testa was chosen because it is the No. 1 Italian advertising agency, not only in terms of billings, but also because it is a leader in all senses of the word," Mr. Rava said.

Testa's base in Turin, also Fiat's headquarters, counted in the agency's favor. It's unclear whether other agency networks were considered.

A Lancia executive in Germany said the company wants to unify the look of the car's campaign across Europe. *Lancia executives* there and in the U.K. hadn't been informed of the agency selection at press time.

Until now, Lancia has used local agencies including Turin-based Canard Advertising in Italy; Leonhardt & Kern, Stuttgart, in Germany; Bordelais, Lemeunier Leo Burnett, Paris, in France; and Reay Keating Hamer, London, in the U.K.

Testa will take over in January, and is expected to resign the conflicting $8 million BMW account for Italy.

Marco Testa, Armando Testa ceo, wouldn't comment on Lancia or BMW beyond saying: "Our contract with BMW is valid through Dec. 1, 1991."

Lancia's new agency alignment is part of a trend by European car companies to explore a more international approach to advertising.

Lancia's new agency alignment is part of a trend by European car companies to explore a more international approach to advertising.

Earlier this year, Swedish auto marketer Volvo hired consultants Scan International to review the company's European advertising coordination. Scan works with marketers on agency selection and remuneration.

BMW has talked to its main agencies, including Ammirati & Puris, New York; WCRS, London; and Scholz & Friends, Hamburg, about jointly developing campaigns that can be used in other markets.

Fiat, marketer of Fiat, Alfa Romeo and Lancia autos, vies with General Motors Corp. for second place in the European auto market after Volkswagen.

According to Adtrack, a company that monitors ad spending, Lancia in 1990 was supported by $53 million in print advertising across Europe and $36 million in TV advertising in several markets.

Adtrack reports spending at rate-card prices without taking into account discounts negotiated, so that $89 million estimated total could be substantially higher than actual spending. But Adtrack doesn't monitor TV spending in all markets.

The fast-growing Gruppo Armando Testa ranks No. 38 among the world's top advertising organizations, with gross income of $63.5 million in 1990, a 25.3% increase from the previous year.

Testa has held talks with Ketchum International, Pittsburgh, about forming a partnership to reinforce its presence in Asia and North America, where Testa has a small New York office, Testa *executives say.*

Jan Hedquist, Ketchum International managing director, said the two weren't close to an agreement. □

Dagmar Mussey in Duesseldorf and Laurel Wentz in London contributed to this story.

FTC confronts green muddle

By Steven W. Colford

WASHINGTON--Procter & Gamble Co. may discontinue "recyclable" claims on a line of products in Rhode Island because of that state's new green regulations, VP-Advertising L. Ross Love told the Federal Trade Commission during hearings last week.

Mr. Love said P&G attorneys were still reviewing the matter, but it underscored a key argument in the ad industry's call for national guidelines for green claims.

Whether the five-member FTC will go along is yet to be determined, but from the tenor and direction of commissioners' questions, a decision isn't likely to come as quickly as the business community might like.

Chairman Janet Steiger said no decision on whether to move ahead would come before the agency's August recess; she wouldn't say if a decision might come down by yearend.

Commissioner Mary Azcuenaga, the agency independent who's publicly questioned the need for guidelines, said she doubted a decision would be made before her seven-year term lapses Sept. 25.

P&G's dilemma arose after Rhode Island adopted a regulation on recyclable claims.

While marketers want to make environmental claims, most don't want to move forward until they can be assured of consistent, national regulation.

Marketers are so troubled by the prospect of states pursuing different regulatory directions that executives who testified downplayed the angle that future FTC environmental guidelines would be voluntary and wouldn't pre-empt state laws and regulations.

"We favor pre-emption as a last resort," P&G's Mr. Love said. "We hope guidelines will lead to uniformity" and state regulators and legislators will defer to the FTC's lead.

"We are at a crossroads," Hal Shoup, exec VP of the American Association of Advertising Agencies, told the commission. "Right now, environ-

(Continued on Page 40)

Mazda ready to fly Pegasus luxury line

LOS ANGELES—Mazda Motor of America's apparent "go" on a new luxury line for the 1995 model year is igniting an agency review that's been idling for months.

Mazda is expected to announce shortly that it will create the new car division, code-named Pegasus. That will immediately set off an agency competition for the estimated $50 million account.

Della Femina, McNamee, which recently lost the $95 million American Isuzu Motors account, is scheduled to meet with Mazda executives this week, car agency sources said.

One scenario put forth by industry observers has Foote, Cone & Belding, whose Santa Ana, Calif., office handles Mazda, spinning off a second operation to handle the new upscale division.

Just as likely though, is that the account would be serviced by FCB's San Francisco office; some car agency sources say it's already at work on the pitch.

Other agencies that have been talking to Mazda and its ad consultant, Don Dorward, include Jordan, McGrath, Case & Taylor; TBWA; and Bloom FCA, all New York.

The Pegasus announcement is expected well before the annual dealers meeting in September, possibly within two weeks. Two Mazda employees have pointed to an Aug. 6 announcement.

As with Toyota Motor Sales USA's Lexus, Nissan Motor Corp. USA's Infiniti and American Honda Motor Co.'s Acura, Mazda will likely begin with two products. In Mazda's case, a V-8 flagship and a V-6 "entry-level" sedan are expected in 1994 as 1995 models. A coupe based on the flagship could follow the next year.

The go-ahead comes more than

(Continued on Page 8)

Agencies feel crunch in bank merger wave

By Gary Levin

An expected spate of bank mergers is threatening ad agencies—already hurt by the recession—with the further erosion of a major retail ad category.

Chemical Banking Corp. and Manufacturers Hanover Corp., two of New York's biggest banks, last week announced plans for the largest banking merger in U.S. history.

Atlanta-based Wachovia Corp. late last month agreed to merge with South Carolina National Corp., just after Wachovia began an ad campaign touting a new identity from an earlier merger.

"There's no doubt the banking industry will consolidate heavily over the next several years."

Another Southern bank, NCNB Corp., Charlotte, N.C., last week continued buyout talks with C&S/Sovran Corp., Atlanta and Norfolk, Va.

"There's no doubt the banking industry will consolidate heavily over the next several years," said George Salem, a banking analyst at Prudential Securities.

Unrelated to the merger activity, San Francisco-based Bank of America, the West Coast's largest bank, last week named Ketchum Advertising to handle its $25 million retail and corporate advertising account, leaving Grey Advertising after 23 years.

The Chemical-Manufacturers Hanover merger would create the country's second-largest bank, with $135 billion in assets, second only to Citicorp. Bank of America currently ranks second.

The combined bank, using the Chemical brand name, would become the nation's No. 6 credit card issuer and would rank first in the New York region's retail banking market, the companies said.

It was unclear how the New York merger would affect ad agencies for both banks, which spent roughly $10 million each on advertising last year, down 25.9% from their combined spending in 1989.

Chemical's main agency is Della Femina, McNamee, New York, while McCann-Erickson Worldwide handles Manufacturers Hanover. Both agencies and banks declined comment.

Spending in the entire bank and savings & loan category has declined even without mergers.

Total measured ad spending by banks fell 7.3%, to $463.6 million, in 1990, while thrifts' ad budgets declined 21.2%, to $156.1 million,

(Continued on Page 12)

New ideas, old barriers

Survey: 'Egos' inhibit integrated marketing

By Scott Hume

The old jealousies are the biggest barrier to implementing the "new advertising."

Integrated marketing communications—the coordination of media advertising, direct marketing, promotion or public relations for a brand—has become the hot marketing issue of the 1990s. Should marketers employ it? If so, should it be through one or several agencies? Should the marketer or the agencies set up the integrated program?

A new study found most marketers say the concept is very valuable and are looking to their agencies for help in implementing it.

But marketers rank "agency egos" as the biggest barrier anticipated in putting an integrated strategy in place.

The new study was conducted by Tom Duncan, associate professor of journalism and chair of the advertising sequence at the University of Colorado at Boulder's School of Journalism & Mass Communication. The Colorado study found 56% of company executives responding said a client and its agencies must jointly take the initiative to make integrated marketing work, while 42% said the client alone should take the initiative.

Among the biggest advertisers (those with annual ad and promotion budgets of more than $50 million), more than half the responding companies (55%) said they, not their agencies, should take the initative.

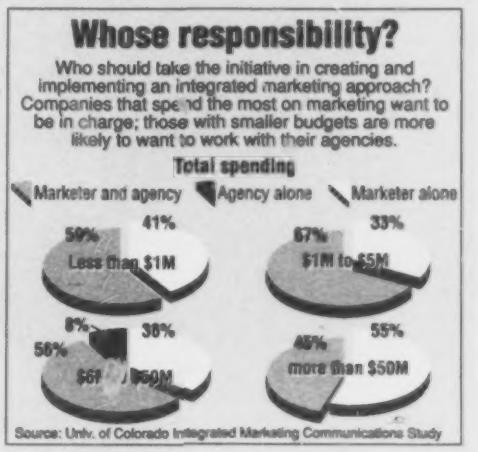
Smaller advertisers are more likely to opt for a joint marketer-agency initiative.

"I think this study shows agencies are in a position to take a leadership role," Mr. Duncan said. "Clients want their agencies involved in the process of integrating marketing messages. I interpret the results as the clients saying to agencies, 'You people are the communication experts. You ought to be able to help me put this concept to work.' "

The study will be presented to the American Association of Advertising Agencies.

Questionnaires were mailed in March and April to 500 randomly selected company subscribers of *Advertising Age*; 216 companies responded. The survey has a 6% margin of error.

The biggest outside barriers to integrated communications are "agency egos" (68% agreeing or strongly agreeing), "fear of budget loss" (57%) and lack of knowledge by agencies in multiple areas (56%), the respondents said.


Whose responsibility?
Who should take the initiative in creating and implementing an integrated marketing approach? Companies that spend the most on marketing want to be in charge; those with smaller budgets are more likely to want to work with their agencies.
Total spending
Marketer and agency
Agency alone
Marketer alone
50%
41%
Less than $1M
67%
33%
$1M to $5M
8%
38%
56%
$6M to $50M
45%
55%
more than $50M
Source: Univ. of Colorado Integrated Marketing Communications Study

JOHN SMITHER

The Colorado study paints a somewhat different picture of marketer attitudes than a Northwestern University study that was presented to the recent annual meeting of the Four A's.

Some ad agency executives have become more critical of the what's being called the "new advertising," and that attitude was on display at the Four A's meeting.

The earlier Northwestern study found that while most companies support the concept of integrated marketing, 87% of company executives said they alone were best suited to oversee the coordinating. □

Guy Day goes to McElligott

By Bob Geiger

MINNEAPOLIS—If American Isuzu Motors hires McElligott Wright Morrison White, the automaker will get not only the West Coast office it says its agency must have, but Guy Day as point man.

Mr. Day, 57, co-founder in 1968 of Chiat/Day (now Chiat/Day/Mojo), joined McElligott Wright last week as vice chairman. He will be based in Los Angeles and will focus on the agency's bid for the creative portion of the $90 million Isuzu account. Even if that attempt fails, McElligott Wright will open a West Coast office.

Also vying to succeed Della Femina, McNamee, Los Angeles, on the account are Altschiller Reitzfeld/-Tracy-Locke and McCabe & Co., both New York; Carmichael Lynch, Minneapolis; and Goodby, Berlin & Silverstein, San Francisco.

President Tony Wright earlier said if the shop won the Isuzu account, a Los Angeles-area office would be opened. McElligott Wright already works for Anaheim, Calif.-based Universal Cellular.

Even if McElligott Wright fails to win Isuzu, Mr. Day will remain with the agency, Mr. Wright said.

Mr. Day, who helped introduce American Honda Motor Co. to the U.S. in the 1970s, brings additional automotive expertise to an agency that already boasts some credentials in the category. Agency cofounders and former Chiat executives Mr. Wright and Rob White worked on the Nissan Motor Corp. USA account during their tenure at Chiat in the late '80s; Mr. McElligott headed creative on the Porsche Cars North America account at Fallon McElligott. Mr. Day consulted for Porsche on the 1987 review that gave that account to Fallon. □

Marcy Magiera contributed to this story.

What's ahead for Carat

Gilbert Gross, 60, who in 1964 founded what's now Carat Espace, and his brother, Francis, 56, are looking to expand their media buying expertise to the U.S. and Asia.

As they prepare for a split with Eurocom and the elimination of European trade barriers in 1992 with the acquisition of the remaining stock in their 13 European partner companies, the brothers talked to Advertising Age *correspondent Bruce Crumley about their U.S. expansion plans.*

ONE ON ONE

Advertising Age: *When will Carat arrive in the U.S.?*

Francis Gross: Next year.

Gilbert Gross: We absolutely have to establish ourselves in the U.S.—it's unavoidable and fundamental. It's a priority.

Carat Espace's Francis (r.) and Gilbert Gross say expanding to the U.S. is a priority.

AA: *Will you enter via acquisition or joint venture?*

Gilbert Gross: We are examining that question . . . that's all we can say.

AA: *Given your run-ins with French agencies, do you think U.S. agencies are concerned about your plans?*

Francis Gross: There must not be a misunderstanding in America. There is a difference between Europe, the world and France. France is a rather peculiar country in that as soon as one person is successful, others are jealous. . . .

[When we] launched an ad campaign saying, "Gentlemen, let's be serious," . . . it was very badly received outside of France. . . . This was in no way intended to say to people in the U.S., "Zorro is on the way. You'd better watch it." . . . This ad campaign was [run in] France.

AA: *Unlike France, U.S. media maintain fixed rates for space, and price and purchase conditions are constant. Can Carat be successful in the U.S.?*

Francis Gross: North America is a healthy market. . . . When people see how we adapt our methods of analyzing media to the American market and perform as media planners, we'll do well. . . .

As soon as the client who is used to paying $100 for $100 worth of space sees that for the same price, thanks to Carat, he can get the added value of space worth 30% more, he'll necessarily be willing to pay the $10 extra representing the fee for our studies.

AA: *If you're working in the U.S., what amount will have to be involved before the media decide to grant discounts?*

Gilbert Gross: In France or Europe, a client who is ready to spend $10 million to $100 million would benefit from different conditions than a client buying much less. I have no idea what this limit would be in the U.S.

In Europe, 70% to 80% of the sales figures for all media were made by the six or seven largest owners of media, while the 10 biggest advertisers . . . only constituted around 10% to 15% of these sales. So the power of the media owners and that of the largest advertisers is totally disproportionate.

AA: *Are U.S. agencies afraid their clients will switch media buying to Carat when you enter the U.S.?*

Gilbert Gross: I don't know, but I must say that this is an absolutely ridiculous debate. I say jokingly—but not totally—in France: What differentiates us from an ad agency? The creative department, that's all.

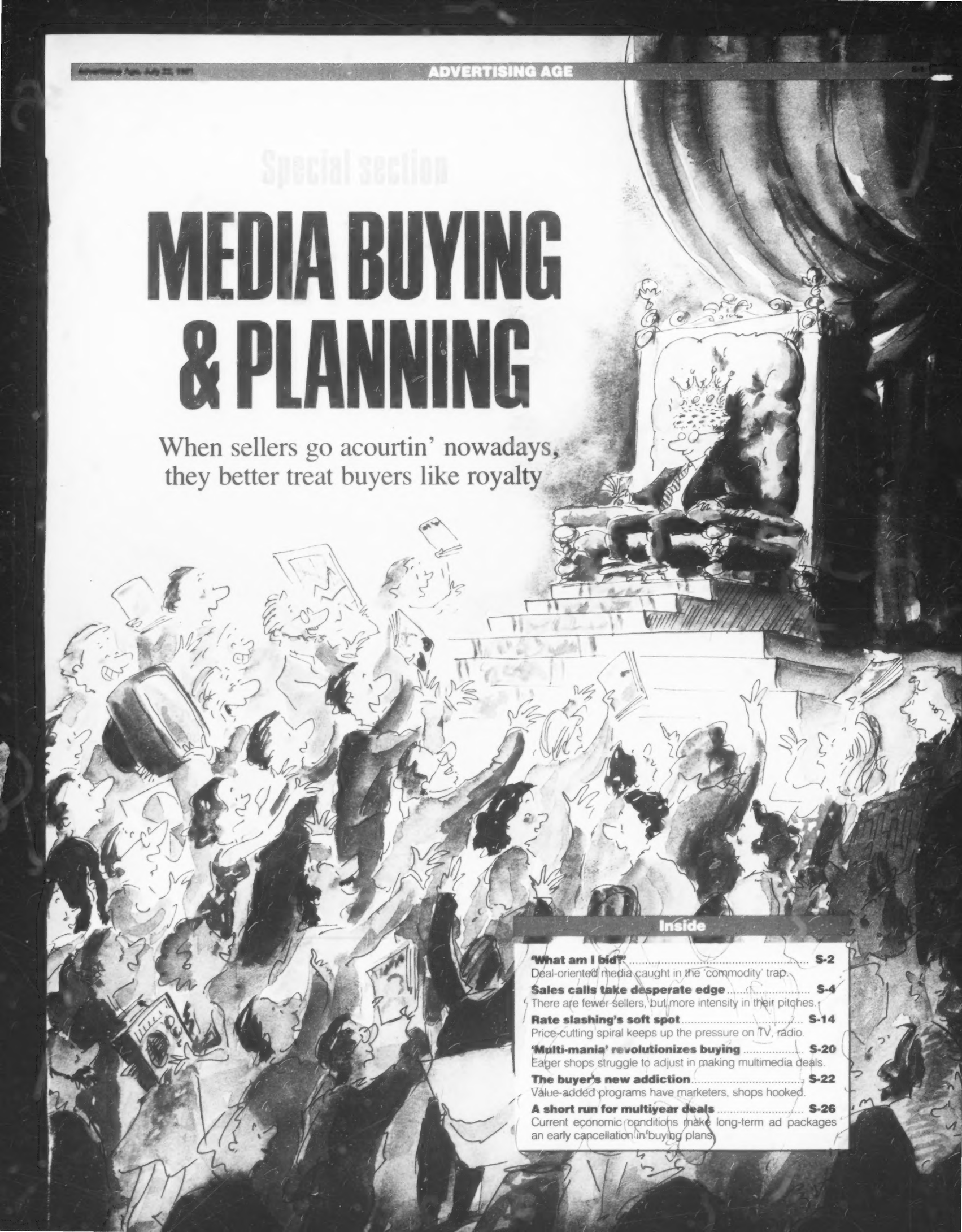
AA: *And in the U.S.?*

Gilbert Gross: Since we won't be opening in the U.S. without an American partner, we'll know how to deal with this problem. I hope [the partner] will be sufficiently powerful to get us accepted on American territory. □

Special section

MEDIA BUYING & PLANNING

When sellers go acourtin' nowadays, they better treat buyers like royalty



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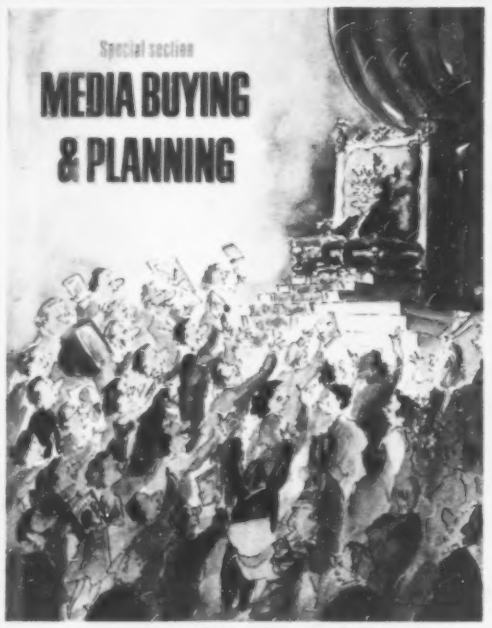


Cover illustration by Steve Bjorkman

Crowning effort

The buyer is king. The buyer is judge and jury. The customer is always right.

Never false, these statements also are never more true than during a recession.

Like supplicants humbling themselves before the throne, media sales reps are in the unenviable position of trying to woo increasingly discriminating media buyers and planners.

As ad budgets get tighter, the fight among media for remaining dollars has become even more intense.

In the story on this page, Foote, Cone & Belding's William Evans says, "Reps are very hungry," a hunger that's caused them to view their media more and more as a commodity.

While buyers don't complain about the price slashing that results from sellers treating their products as commodities, cost isn't the only factor. Media directors say they've gotten smarter about designing and implementing media plans, and they want sellers to get smarter, too.

They want sellers to keep up with their hunger for sophisticated multimedia packages and value-added programs. They want advice and creative thinking from sellers. They want more targeted presentations and less wasted time.

And, of course, they *do* want it all for less money.

As stories throughout this section indicate, price slashing is here to stay in most media. Those media resisting rate cuts, look out. Buyers want to see more flexibility or they'll take their business elsewhere.

To gauge the relationship between media buyer and seller, *Advertising Age* asked Beta Research Corp., Syosset, N.Y., to conduct a telephone survey of 202 media directors. The sample was randomly selected from media executives at the 500 largest U.S. agencies.

Their message to sellers is quite clear: When you're granted an audience, spend less time worrying about yourselves and start being more concerned about buyers and planners and their clients.

Media sellers not heeding this advice: Off with their heads!

Edited by Julie Steenhuysen

'What am I bid? What am I bid?'

Media caught in 'commodity' trap

By Gary Levin

Media buyers give media sales reps an "A"—for average.

An *Advertising Age*/Beta Research Corp. survey of media directors finds that 76.2% of them describe the average sales call as, well, average.

The survey shows just 15.8% give sales reps high marks, while 8% rate them as "poor." Nearly 30% say reps are less well-trained than they were two years ago, while 45.5% report no change in reps' abilities.

The most common complaint is that in this recessionary climate, too many sales reps view media as merely a commodity business: How low must they go to prevent a rival from getting the order?

"In certain areas, all they're concerned with is how much [business] their competitor is going to get: It's 'don't shut me out,' " says Don Cole, senior VP-media director at W.B. Doner & Co., Baltimore, in a comment fairly typical of agency responses.

Despite a shakeout under way in the magazine business, an expanding number of media outlets are competing for a shrinking pool of ad dollars, and that's led many to deal and discount.

"The focus is more and more on media as a commodity," says William Evans, senior VP-executive media director at Foote, Cone & Belding, Los Angeles.

Instead of selling based on the merits of the medium, "the talk is about rates and pressures on the rep to increase his share of business," Mr. Evans says.

Buyers believe many sales reps already know what agencies have been trying to tell them: If you want my order, learn more about my clients and tell me how I can help them.

But survey respondents describe sales reps as vendors twice as often as they call them partners who help address clients' marketing needs.

Almost 67% of media directors say reps place more importance in writing an order than in addressing their clients' needs. Just more than half of the media directors surveyed also say media salespeople are unaware of their clients' marketing strategies and category positions.

"There's growing awareness that they should be involved in clients' businesses, but I don't think they're any better at it," says Michael White, exec VP-media director at DDB Needham Worldwide, Chicago. "You still hear stupid stuff."

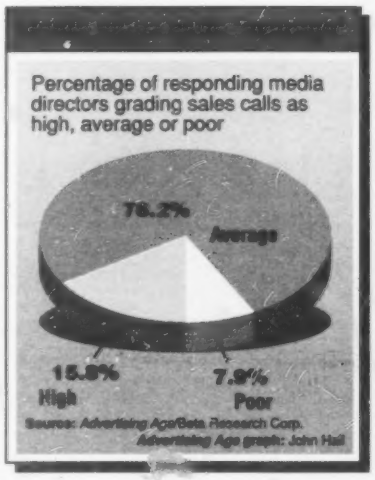
Some buyers attribute the "commoditization" of media sales to tough economic times, noting that many falsely believe they'll get the order only with bells and whistles.

"Overall, what I see is a situation where reps are very hungry, understandably, and I see the emphasis going in a direction which is very disturbing," says FCB's Mr. Evans. "They're trying to attract the attention of buyers with direct mail pieces, giveaways and prizes, which takes the focus off what they have to offer compared to their competitors."

Many say the quality varies with the medium: By and large, agency media executives rank the quality of magazine reps higher than broadcast salespeople but say cable TV and outdoor sellers have had to muscle their way into media plans and have proven more innovative as a result.

"The consumer magazine media have always done the best, probably because most of their business in one way or another is marketing based [rather than being focused more on hard numbers]," says Joel Kushins, senior VP-media director at Bozell, New York (*see related story on Page S-7*).

The outdoor industry has become more flexible and aggressive as it battles social pressures of highway outdoor "board blight" and declining spending by the medium's two largest customers, tobacco and alcoholic-beverage marketers.



But TV reps don't impress buyers in terms of their attention to detail, in part because they've relied for so long on steady demand for their increasingly costly inventory of TV spots. Nor do radio salespeople: "Radio's a great medium, [but] a lot of people just seem to be order-takers; they don't really sell the medium itself," Mr. Cole says.

Since the recession began, buyers say sellers of media have focused most heavily on their product's position compared with its competitors, on rates and on so-called "value-added" marketing and merchandising programs, which have expanded rapidly in recent years. Those can include multititle magazine deals to cross-promotions among several media.

Media buyers really would like discussions of value-added programs but also want more knowledge of an

(Continued on Page S-28)

'The focus is more on media as a commodity' instead of selling based on the medium's merits

'Desperation in their voices'

Fewer sellers, but more intensity in their appeal

By Jon Lafayette

More with less is becoming the mantra for many media operations.

The recession has forced media companies to be more aggressive and creative in selling their products, while in many cases drawing on fewer resources.

"That is the reality," says Dave Long, newly appointed VP-marketing at Time Inc. Magazine Co. and former ad director at *People*, where the sales staff is 25% smaller than it was two years ago.

But media buyers have noticed no decline in the intensity with which ad sellers pursue buyers.

In the *Advertising Age*/Beta Research Corp. survey of more than 200 media directors, 81.2% say they're being called on enough times by media reps to meet their needs.

"The spot reps are voracious; the magazine reps are tenacious. Everyone has a bit of desperation in their voices. There's more contact. I'm sure sales managers are leaning on them," says Tom Winner, exec VP-director of media operations at Campbell-Mithun-Esty, New York.

Media sales managers stress the importance of having reps out in the field during tough times.

"All you can do in a situation like that is make sure that the clients you do have know how much you appreciate their business," says Stephen Seabolt, the new regional VP-sales at Time Inc. Magazine Co. and former U.S. ad sales director for *Time*. "If there was ever a time to hug a client . . . a recession is that time."

"The downturn's not forever, so we've got to be there," agrees John Silvestri, exec VP-ad sales at USA Network. "We've got to make more calls. We've got to work harder. We all do," he says.

"We're making more client calls. We're looking at businesses that don't spend much money on television and trying to come up with new ways to get them to spend it on cable," says John Barbera, president of Turner Broadcasting Sales.

Even in these tough times, "we're eternal optimists," he says. "We figure you keep knocking on the door and somebody will say yes."

But because of the depth of the recession, added effort doesn't usually translate into added sales. Ad sellers are huffing and puffing to keep a bad situation from becoming worse.

> **"I think you need the presence in the field, so for us to cut further would be overall more damaging."**

Media buyers say the stepped-up effort has resulted in new opportunities for clients.

"From our vantage point, the network guys have made the most effort. Pursuing small amounts of money, trying to come up with opportunities vis-a-vis spot budgets, following up with us," says Stacey Lippman, senior VP-corporate media director at Chiat/Day/Mojo, New York.

But despite the effort, the recession hasn't changed the content of the sales message all that much.

"I'm not sure they really know how to respond yet, but I think they know they need to do something other than what they've been doing for the last 30 years," Mr. Lippman says.

In the *Ad Age*/Beta Research survey, 62.4% of respondents say they notice no change in the quality of media sales presentations since the recession began. Another 24.3% say they see an improvement, while 13.4% say quality has declined.

The survey also reports 55% of media buyers see no change in the quality of individual sales reps. Indicating tough times have been good for some reps, 22.8% of responding media directors say the quality of media sellers actually has improved. However, an almost equal number of media buyers—22.3%—say quality has dropped.

Media executives insist that at the same time they're working with fewer people and resources, they're working harder and putting more substance into their efforts.

"We're a lot smarter and a lot more creative, and that's what it takes," says George Schweitzer,

(Continued on Page S-6)

Russ Boehm, Wichita, Kansas

He doesn't sip Pouilly-Fuissé.
He drinks beer from the bottle.

TNN: The Nashville Network represents a rare opportunity for mass marketers. That opportunity is a large, loyal audience who spends almost all their disposable income on American products and services.

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What makes the young buyer tick

Behind every great media director is a legion of young media professionals ready to make their boss look good.

They may not be the architects of the new media strategies, but these buyers and planners are charged with implementing increasingly complicated buys. As their jobs have become more complex they've become more rewarding, as evidenced by the growing number who say they want to stay in media.

To shed light on those charged with doing the nuts and bolts aspects of media buying, we selected buyers from Advertising Age's *ranking of the top 10 U.S. agencies.*

Instead of focusing on their jobs, we asked about personal media histories and habits. While most were weaned on "The Brady Bunch" rather than the funny papers, this bunch won't let that influence their buying patterns.

Ten profiles, starting with the two on this page, appear throughout this section under the banner "Doer's profile."

Doer's profile

Name: Jan Herbert

Title: supervisor-print services

Agency: Young & Rubicam, New York

Years in current post: 2

Years in media department: 5

What newspapers do you read for world events, news? *The Wall Street Journal.* I get world events from newsweeklies.

When did you first start reading the newspaper? Two years ago.

What was your first magazine subscription? *Highlights.*

What magazines do you read for pleasure now? *Premiere, Entertainment Weekly, People, Business Week, Fortune, Glamour, Utne Reader.*

These are the ones I bring home and read regularly—I get practically every magazine in SRDS [at work].

What were your favorite TV shows as a kid? It depends on what age. I used to watch everything as a kid. We watched "The Brady Bunch" and "Partridge Family" at one point in time. Saturday mornings there was always something—I remember "Land of the Lost," and on Sunday mornings it was "Davy & Goliath" [and] "Bugs Bunny."

I'm the only person I knew that memorized the *TV Guide* lineup in grade school. My brothers used to never read *TV Guide*; they'd come home and just ask Jan what was on.

In college I always watched soaps—the ABC lineup. I attended Luke & Laura's wedding [on "General Hospital"] in college.

What cancellation of a broadcast TV show saddened you? "Thirtysomething." I was disheartened by that. I enjoyed the show; am sad to see that go. "Twin Peaks," though if that last show was any indication of what was to come, it was too weird. I wouldn't miss it.

What are your favorite TV shows now? "In Living Color" and the CBS lineup on Monday—"Evening Shade," "Major Dad," "Murphy Brown," "Designing Women" topped off by "Northern Exposure." I also like a lot of Fox, like "Beverly Hills 90210" [and] "The Simpsons."

What show captured your fancy when you first got cable? I would have to say MTV. If Paragon [the basic cable service in New York's Upper West Side] offered VH-1, I would get that. Also if I [could get] "Nick at Nite" I would watch it. I don't subscribe to additional pay-cable features because I don't watch enough TV to justify the added expense.

What do you feel is hottest cable show now? "Tales From the Crypt" —the HBO series.

What type of radio did you listen to as a kid? I listened to WGSM-AM, 740 on the AM dial, the Station of the Stars, in Huntington, Long Island. My father was the morning radio announcer there, so every morning Mom had on the radio, listening to Dad's show. The format was middle of the road. My dad always played "Puff the Magic Dragon" and I always thought it was such a sad song.

What type of radio do you listen to now? WDRE-FM [an alternative music format] because my roommate listens to it and her alarm clock wakes us up, so she gets to pick the radio station. But I'm actually liking it now.

What childhood movie influenced your life? I vividly remember seeing three movies from my childhood. "Romeo & Juliet" [the Franco Zeffirelli version] and the first two R-rated movies I saw; I was 11 and it was a double feature: "Play Misty for Me" and "Cabaret."

What's the last good movie you saw? "Thelma & Louise," "Jungle Fever," "What About Bob?"

What actress would you want to play in your life story? Meg Ryan. She's got a fun personality. If my picture goes with this it will be a hard thing to see, but I've had four or five people tell me I have a similar look to her. The big major difference is that she gets to sleep with Dennis Quaid but I don't.

—Adrienne Ward

'Desperation in their voices'

(Continued from Page S-4)

senior VP-communications at CBS. "It's not just the number of people; it's the creativity and effort that's put into it."

Mr. Schweitzer says CBS is being more creative in packaging its inventory to create bundles that are more attractive to advertisers.

"We're selling different dayparts together and packaging a lot more of our sports," he says.

People also has taken steps toward a more creative deployment of its sales staff. Once arranged along client lines, *People's* sales staff is now structured along ad agency lines. Mr. Long says the new structure was created partly because agencies have slimmed down during the recession.

"We're trying to run the most effective, efficient operation we can," Mr. Long says, a statement bolstered by the 25% reduction in *People's* sales force.

People also installed a new plan to attract pages from marketers that hadn't previously advertised. While its ad pages plummeted 10.9% in the first four months of 1991, the drop would have been more extreme without 400 pages generated from new advertisers this year.

But most do not see the recession as something that has become integral to their sales pitch.

"The recession itself has not become a focus of our presentations or what we do," Mr. Long says.

"I think it is generally understood in the business and the industry that the savvy marketers market throughout a recession, and those are the ones that come out in the most robust manner. But we have not focused on that as a critical selling point. Maybe we should have."

"We built a presentation around why it pays to advertise in a recessionary period," Mr. Silvestri says. "We were out with that early in this game. That's pretty well passe now."

Findings from the *Ad Age*/Beta Research survey back up his opinion: When asked what they would like media presentations to focus on, only 23.8% of media directors say "advertising during a recession."

Many media sellers believe that despite the increased pressure of the recession, the fundamentals of selling media have not changed.

"It really hasn't for our titles because our approach has always been the quality of the magazine," says Tom Witschi, VP-publisher of *American Photo* and *Popular Photography*. "I think you get that with a lot of the special-interest categories because they're selling the uniqueness of their readers. That never changes."

Mr. Witschi adds that his staff always has to hustle. "There's never a time when ads just roll in," he says.

Popular Photography, which had an ad page increase of 17.7% in 1990 and 6.5% in the first four months of the year vs. the same period in 1990, has not cut its sales staff, Mr. Witschi says.

"We're set up to be lean and mean," he says. "We don't have a ton of salespeople.

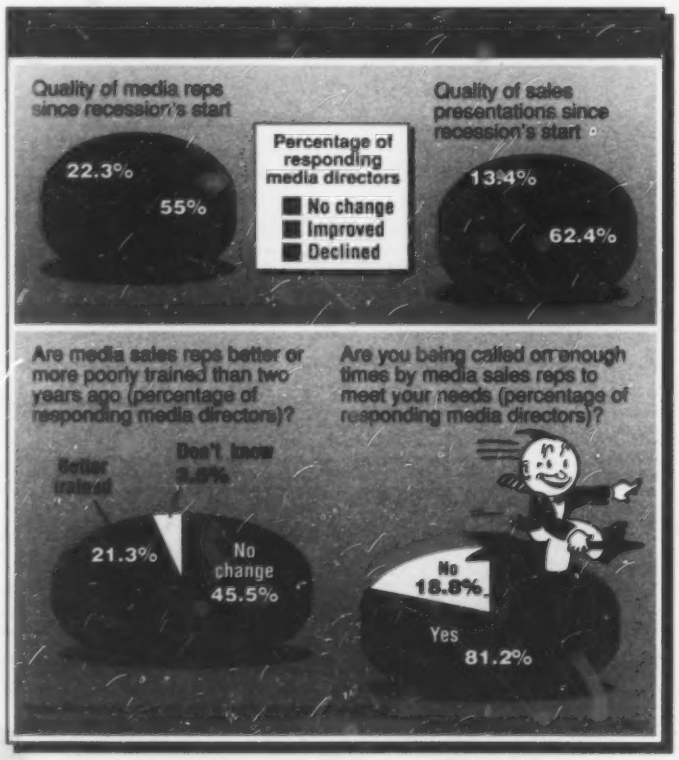
"I think you need the presence in the field, so for us to cut further would be overall more damaging."

But Mr. Witschi says he thinks some of the mass-circulation magazines may have entered the recession with some fat on their staffs.

Facing greater pressure on profitability, Messrs. Seabolt and Schweitzer say the sales forces at *Time* and CBS have been trimmed somewhat since the recession began.

However, USA Network hasn't cut its sales force.

"We feel we've got to give coverage to those accounts," Mr. Silvestri says. "In a tough economy, you need as many face-to-face calls as you can. You've got to keep your people in front of the advertiser and at the agency telling your story." □


Quality of media reps since recession's start
22.3%
55%
Percentage of responding media directors
No change
Improved
Declined
Quality of sales presentations since recession's start
13.4%
62.4%
Are media sales reps better or more poorly trained than two years ago (percentage of responding media directors)?
Better trained
Don't know 3.8%
21.3%
No change 45.5%
Are you being called on enough times by media sales reps to meet your needs (percentage of responding media directors)?
No 18.8%
Yes 81.2%

Doer's profile

Name: Rich Wilks

Title, agency: media planner, Saatchi & Saatchi DFS/Pacific, Los Angeles

Years in current post: 1

Years in media department: 2

When did you first start reading the newspaper? Probably when I was about 13. I've never been that much into reading the newspaper; I've always been a TV person.

What newspapers do you read for world events, news? The *L.A. Times* sometimes; occasionally *The Wall Street Journal.*

What was your first magazine subscription? I think it was *Rolling Stone.* I was about 15; I think there was some special deal offered in school.

What magazines do you read for pleasure now? *Rolling Stone*; I also read *The Atlantic, Details* and *Vanity Fair.*

What were your favorite TV shows as a kid? "Emergency," "The Disney Sunday Movie." I also remember watching "M*A*S*H" a lot.

What cancellation of a broadcast TV show saddened you? "Thirtysomething" and "Twin Peaks." Basically, it's all the good TV.

What are your favorite TV shows now? "Saturday Night Live" [and] "In Living Color." They're higher-quality shows than the average sitcom with a laugh track. They make you think a little bit.

What show captured your fancy when you first got cable? I've always watched MTV and really like it. I watched E! Entertainment Television. [It's] pretty fun. I also watch "Headline News"; it's nice to . . . get all the basics.

What do you feel is the hottest cable show or network now? I'd say MTV still is hot.

What type of radio did you listen to as a kid? I always listened to the closest thing I could get to alternative radio. I grew up in Sacramento and would tune in San Francisco or the nearby college station.

What type of radio do you listen to now? I still listen to alternative radio, mostly KROQ in L.A. They've got good music and a good variety of music.

What childhood movie influenced your life? "Ordinary People." It made me realize that everybody has something going on in their life and you don't always see the problems on the surface.

What's the last good movie you saw? "Jesus of Montreal." It was different, very thought-provoking.

What actor would you want to play your life story? I would want Kiefer Sutherland because he's interesting looking and a very honest and open sort of personality.

—Melanie Rigney

Magazine reps' star shines

Broadcast reps 'loud and noisy'

By Julie Stoenhuysen

If media buyers see magazine sales reps as the stars of the media sales biz, it should come as no surprise.

Unlike many other forms of media, magazine reps have to justify the buy from start to finish, buyers say.

Magazine sales reps' high standing among media buyers is uncontroverted.

Nearly 70% of media directors surveyed in a recent *Advertising Age*/Beta Research Corp. poll say consumer and trade magazines have the highest quality sales reps. Consumer magazines garnered 41.1% of responses as the No. 1 medium for sales quality, while trade book reps received 27.2% of the votes.

But it's the nature of the medium, not the reps themselves, that tips the scale in magazine reps' favor, media watchers say.

"Print people are kind of unique on the landscape of media reps," says Timothy McInerney, senior associate at McNamee Consulting Co., a magazine consultancy.

"Their properties have not been 'commoditized' as have TV and radio. They've had to rationalize their more discrete, less-than-mass audiences.

"I don't think they're any more professional. I just think the circumstances intrinsic to media create the differences," he says.

But some of those differences are worth noting.

"Our [magazine] reps don't like to be in the same waiting room as [broadcast] reps," says Paul DuCharme, VP-director of print media at Grey Advertising, New York, whose department shares a floor with the agency's broadcast buying group. "[Broadcast reps are] loud and noisy and dress like they just got back from California.

"Our [print] reps have to have an appointment. A broadcast rep gets in for one person and he just goes up and down the corridor," he says.

Nancy Smith, senior VP-director of media services at Young & Rubicam, New York, attributes differences in media sellers' approach to the way the two media are sold.

"If you look at the broadcast buying end, the sellers are very much oriented toward negotiating with a very heavy dose of servicing and stewardship," she says.

"In the print medium, the orientation is very much upfront, before the buy is made. And it's selling: selling the medium, the market niche and the title."

An emphasis on selling has resulted in some pretty rigorous standards for print reps.

At James G. Elliott Co., a Los Angeles-based magazine rep company, salesmen are equipped with pagers, cellular phones and laptop computers so they can be reached at all times, says President Jim Elliott.

Client calls are supposed to be returned within one hour and sales presentations are videotaped and critiqued by an acting coach.

Still, with the recession lingering and media properties proliferating, magazine reps find themselves engaged in a battle for pages that has forced many to hone their presentation skills and re-evaluate their approach.

"You're starting to see more inventive, more creative, more resourceful skills being brought to the party. [Reps] are selling a media company's resources rather than just the title," says Ms. Smith, pointing to the prevalence of value-added packages, event marketing and cross-media deals.

> "Our magazine reps don't like to be in the same waiting room as broadcast reps."

Sales pitches, at least among magazine reps, also have become more targeted, Ms. Smith says.

"[Magazine] salespeople will try and learn about the clients' business and marketing before they call. And they tailor their pitch to that."

In fact, some magazine companies are becoming so adept at targeting that they're tailoring the sales pitch to the person they're calling on, Ms. Smith says. She recalls one pitch from a salesman that was targeted to a media buyer's known preconceptions about the category.

"It was in the competitive newsweekly category where it's hard for everyone to see the differences from one magazine to another. A very talented, creative salesperson knew of a buyer's [perception that the titles were all alike] and built a very targeted discussion to that individual.

"He made the sale," she says.

Tough times also have required a bottom-line emphasis from magazine sellers, says John Meskil, exec VP-media at Warwick Baker & Fiore, New York.

"I think they've gotten a little more direct in terms of what it takes to get the busi-

(Continued on Page S-10)

Let's make a deal

'Area of negotiated rates has changed dramatically' as publishers appear to soften on off-card deals

By Scott Donaton

Rate negotiation, a non-issue for most media, remains a hot topic in the magazine industry.

But publishers' resistance is crumbling, media buyers say, and price is now just one element of a more complex negotiating process.

Group buys, custom publishing, on-card or structured discounts, added-value merchandising and positioning: These are the tools sellers of print space and broadcast time are using to ease growing rate pressures and preserve profit margins.

Many media sellers outwardly deny—but privately concede—negotiation has become a way of life. An *Advertising Age*/Beta Research Corp. survey of more than 200 media buyers verifies this shift.

Fully 44% of buyers say just 20% to 59% of all media buys are made at published or stated rates. Only 5.4% of those polled say all media buys are made at published prices.

While 29.7% of the buyers surveyed say discounts most often take the form of off-the-rate-card concessions, 48% cite frequency discounts, 16.3% name added-value merchandising and 10.4% say elimination of additional fees such as bleed charges for color print ads are used as concessions.

"The whole area of negotiated rates has changed dramatically. It's become part and parcel of added-value and integrated media programs," says Roberta Garfinkle, VP-director of print media at McCann-Erickson Worldwide, New York.

Rate negotiation is a common practice in the TV and radio industries, where formal rate cards don't exist and prices are determined by supply and demand.

The newspaper and Yellow Pages businesses have yet to feel strong rate pressure from agency buyers, a luxury they're not expected to enjoy for long.

"Rate negotiation is not as widespread in newspapers as it is in broadcast or magazines, but I think it's something that's going to happen," says Jack Cohen, director of print/outdoor media buying for DDB Needham Worldwide.

The magazine industry remains a battleground where publishers still refer to rate cards as "sacred" and warn that rate "compromises" threaten their existence, a stance that irks some on the buyers' side.

"I have very little sympathy for [publishers'] point of view," says Backer Spielvogel Bates Vice Chairman Stephen Leff, who oversees the media department.

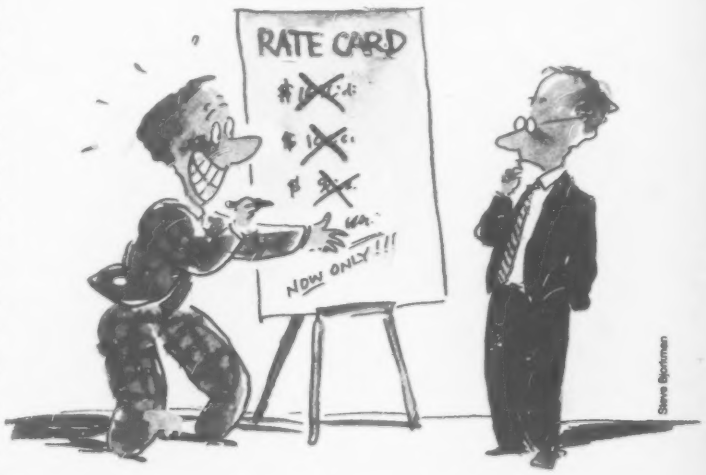
"Why should magazines be any different from the broadcast industry? This is a competitive world and advertisers should benefit from that competition."

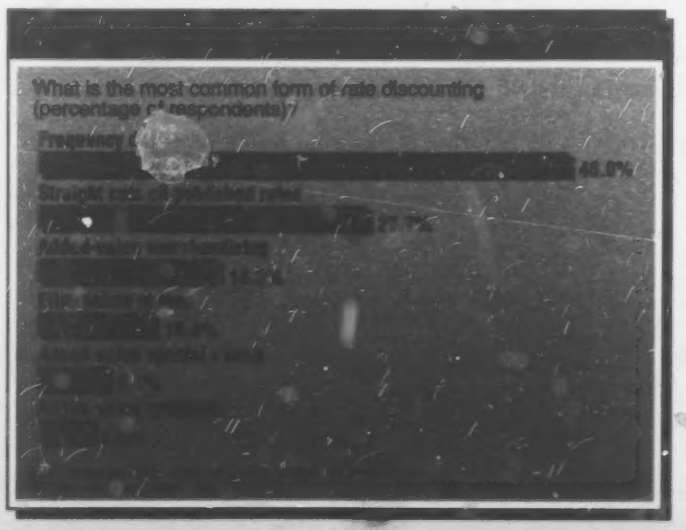
"We don't want to put anybody out of business," says Peg Ianacone, manager of print media at Grey Advertising. But rate negotiation "is a non-issue," she says. "It's a way of life."

Still, publishers and their supporters say the medium isn't ready to cave in to TV-style negotiations.

"The great progress is over" for media buyers who gained rate concessions from publishers in recent years, says David Orlow, senior associate at Periodical Studies Service, a magazine consultancy. "Continued pressure will not gain advertisers much more in incremental concessions. There are lines that have been drawn."

"As the weaker magazines fold and we come out of the recession, the stronger books that can provide a good audience and be effective can hold the line on rates," claims Steven T. Florio, president-ceo of *The New Yorker*. "Quality of editorial will become important again."





Many agency executives beg to differ.

Mr. Leff says he views published rates as "an asking price," a statement echoed by several media buyers. Most print buyers say despite their public stance, publishers now accept negotiation of price and other elements as a normal aspect of doing business.

Publishers are a lot more savvy, they say, and know exactly how far off the card they can go without destroying profit margins and what tools to use to turn the focus away from price.

"Negotiation as a term for print buying is outdated," Grey's Ms. Ianacone says. "We don't negotiate. It's about packaging.

"Most of the magazines now know what their bottom line is. They know they're going to give you 50% off before you pick up the phone," she says.

In fact, buyers believe some publishers artificially inflate ad rates to allow room for negotiation, a charge publishers deny.

McCann-Erickson's Ms. Garfinkle says she's suspicious of magazines that drastically reduce rates and asks publishers, "Do you mean to tell me you can still take some profit out of this when you're giving 40% off? Were you overcharging all along?"

Publishers also are sidestepping off-card deals by creating new formal discounts and ornate rate structures. In addition to frequency discounts, many offer discounts to advertisers in specific categories, introductory rates, renewal rates and price breaks to advertisers who make long-term or upfront commitments.

Even Conde Nast Publications, the only major magazine group

(Continued on Page S-10)

Doer's profile

Name: Kelly Clark

Title, agency: media supervisor, J. Walter Thompson USA, New York

Years in current post: 1¼

Years in media department: 3

When did you first start reading the newspaper? Eighth grade. I was playing a lot of sports and went to the sports section.

What newspapers do you read for world events, news? *The Wall Street Journal*. It provides the best combination of world events coverage, general news and business information that's important to me. I also read *The New York Times*.

What was your first magazine subscription? A charter subscription to *National Geographic World*.

What magazines do you read for pleasure now? *National Geographic*—it was a natural extension from *National Geographic World*—*Smithsonian, The Economist, The New Republic*.

What were your favorite TV shows as a kid? "M*A*S*H," "WKRP in Cincinnati," "Land of the Lost." Also, I was a big "Love Boat" fan.

What cancellation of a broadcast TV show saddened you? "Bosom Buddies" was a great show and never got a chance to prove itself over the long haul.

What are your favorite TV shows now? "Cheers," "Murphy Brown," "L.A. Law," sports.

What show captured your fancy when you first got cable? ESPN and regional sports, like Madison Square Garden Network.

What do you feel is the hottest cable show now? Sports is the hottest now.

What type of radio did you listen to as a kid? Probably most often album-oriented rock, classic rock.

What type of radio do you listen to now? I listen to classical, news, sports. I keep classical on at the office all day. I'll listen to news in the morning or sports when there's a game on.

What childhood movie influenced your life? I couldn't come up with one. "Willy Wonka and the Chocolate Factory" was my favorite, though.

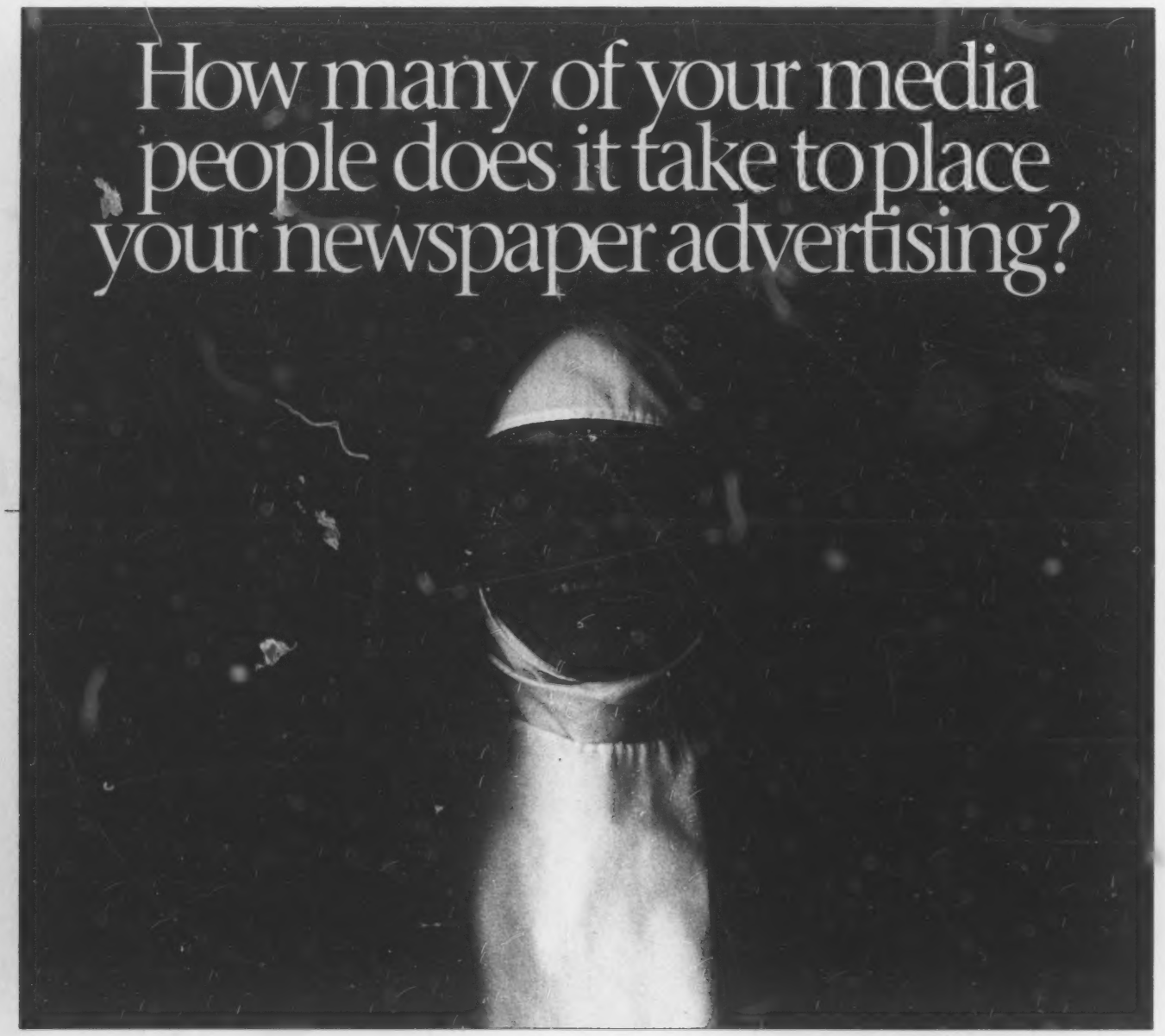
What's the last good movie you saw? "Goodfellas." I just rented it. In a theater, "Henry V."

What actor would you want to play your life story? My life story's so boring, I don't know if I could find someone to do it.

Brian Dennehy is a great character actor. If they did a movie on my life story they'd have to pick a character actor. He's a good Irish actor who can do most anything he needs to do.

—Debra Aho

How many of your media people does it take to place your newspaper advertising?



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Rates

(Continued from Page S-7)

media buyers credit with not breaking its rate card, now offers on-card discounts, such as cuts for advertisers who buy space in more than one of its magazines.

The deals being crafted by Time Warner and nearly every other publishing house are another way to avoid the conflict over negotiated rates. Such customized deals, which often include single-sponsor issues and other value-added elements, by their nature must be negotiated.

Strategic packages, such as the $40 million deal Time Warner signed with Chrysler Corp. last November, have been applauded by industry observers as the wave of the future.

But those same industry observers wonder whether some package buys, such as the alliance formed by *Newsweek* and Times Mirror Magazines, are merely ways to disguise discounts.

American Express Publishing Corp. President Thomas Ryder says most group and multimedia buys are short-term attempts by publishers to build share during the recession and predicts they will go out of fashion when the economy rebounds.

Such deals are "founded on a double negative," he says. "The publisher tries to get the advertiser to buy something he doesn't want by providing a discount on something the publisher doesn't need to discount."

Regardless of the form it takes, rate cutting is a tough habit to break. It's "like giving candy to a baby—it's hard to take it back," says John Beni, senior VP-general manager of Cahners Publishing Co.'s Consumer/Entertainment Publishing Group.

"I don't think if someone gave X% discount two years ago that it's easy or possible to take it back today." As a result, he says, "People are looking at value-added more. They're saying, 'Let me find out if I can give this guy something that has high value to him but significantly lower cost to me.' They're being more creative in how they package the deal." □

Reps

(Continued from Page S-7)

ness," he says.

"Before the recession, most salespeople tended not to knock the competition.

"Now they're asking the agency and client what's necessary to get the business—cutting rates, merchandising, value-added, things of that nature."

As the media marketplace continues to change, the challenges to media reps will mount, buyers say. Already, the slump has taken its toll.

"I think when you start not selling you begin to become less effective in the whole process of selling," Mr. McInerney says. As a result, he says, morale drops, leading many experienced reps to become disenchanted with the business.

"Some very talented people have left the industry and a lot more are glancing at the exits," he says.

"Selling's hard now," Ms. Smith adds.

"You don't just walk away with a piece of paper saying, 'Done. I'm on the train.' " □

TV, radio stations caught in a soft spot

Price-cutting spiral keeps up the pressure

By Joe Mandese

In even the best of times, spot broadcast is bought primarily for its flexibility: short lead times, geographic options, range of programming and audience niches and, most important, highly negotiable rates.

In these worst of times, TV and radio stations are bending over backward to accommodate advertisers, particularly on price.

Asked which medium is most willing to negotiate prices off established rates, an *Advertising Age*/Beta Research Corp. survey of media buyers found that 45.5% consider spot TV and 35.1% spot radio to be the most negotiable of 13 media categories.

Spot sellers counter that such statistics are more perception than reality, noting that network TV—with scatter discounts as high as 50% and upfront rates as much as 15% below last year's deals—is probably the bargain medium of the moment.

However, they concede the negotiability of other media has put further pressure on spot broadcast rates, particularly for TV.

"The networks are discounting themselves terribly and that's a detriment to spot, but we're not discounting our rates by 50%," says Raymond Johns, exec VP-chief operating officer of spot TV sales rep Seltel Inc.

While spot broadcast normally is bought for different strategic reasons than network, many national brands can be persuaded to shift spot budgets into network if the price differential grows very great. With the networks discounting their scatter rates as much as 50%, spot buyers say that's becoming all too common.

"Historically, network TV would get tight and buyers would re-express those dollars into local television. But for the first time in as long as I can remember, we are seeing just the opposite," says Howard Nass, corporate director of spot broadcast, Foote, Cone & Belding Communications, New York. "It's going the other way," he adds. "Network is soft and people are capitalizing on it."

Bill Breda, senior VP-general sales manager of spot TV sales rep Blair Television, acknowledges the trend, noting that Taco Bell, via agency FCB, San Francisco, recently shifted its spot TV budget into network.

However, he predicts the fast-food chain likely will come back to spot because of its "flexibility at the local level.

"They need it for their local price and item changes," he says.

Marlene Chautin, senior VP-associate media director of Young & Rubicam, New York, notes network discounts are more of a market correction from years of high cost-per-thousand increases, whereas spot has been flat for several years.

"The problem is that stations' revenues have not been growing for a couple of years," she says. "So, if they have a 2% increase, that's really a negative."

To what degree spot broadcasters will discount depends largely on the strength of a station and the health of its local economy.

"Where the basement is at depends on the condition of the local marketplace," says Tom Olson, exec VP of Katz Television Group. "In the markets where local business is healthy, stations are more reluctant to do whatever they have to do to get the business."

Unfortunately, the number of markets with healthy economies is waning. Northeastern and Southeastern markets are plagued by recession. Although the Southwest appears to be coming back from an abysmal downturn, even West Coast markets are beginning to feel the pinch.

"Los Angeles . . . has become much more negotiable. And that's a market that had literally been sold out for several years," Ms. Chautin says.

As a result, Seltel's Mr. Johns notes, even top-tier stations that had previously been intransigent are "now playing the flexible game. They're doing it for accounts that they've never fought for before."

He says these include accounts that were traditionally the sacred cows of the weaker stations and the independents—direct response advertisers, 900 numbers, infomercials and big bottom-line-oriented accounts such as Procter & Gamble Co., which sales reps say gravitates toward tonnage spot buys at the more flexible stations.

But buyers say all stations—big and small—are willing to provide attractive rates for advertisers willing to commit to long-term deals.

Laura Silton, senior VP-director of local broadcast at McCann-Erickson, says this began during the Persian Gulf War but has continued because "clients are not letting go of their budgets until the last possible moment."

To induce their business, she says stations are willing to provide rate discounts of as much as 5% for so-called "upfront" deals.

As a result, Ms. Silton says an "artificially tight market" has been created for short-term advertisers who need to get onto certain stations at the last minute. She says those buyers have to pay as much as 50% over "upfront" rates to get on the air.

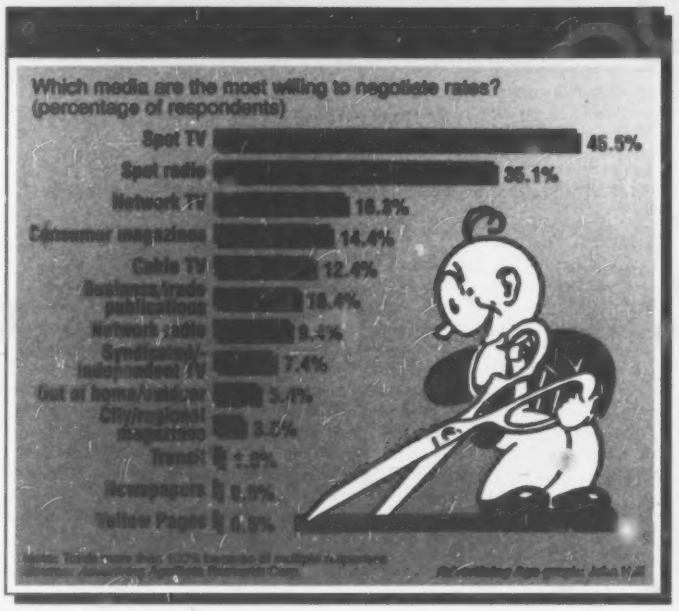
"If you've got a six-week lead time, you can make very good deals. But the short-flight advertiser with not much lead time is not getting good rates," she says.

As a result, stations have been trading off long-term revenues for short-term gains.

"Stations are trying to get as much money out of the short-term advertiser as they can to try and get closer to their budget projections," Ms. Silton says.

At the same time, stations are interested in exchanging some flexibility for commitments from advertisers in these unstable times.

"I don't think too many stations are going to berate themselves for taking those long-term deals," Katz' Mr. Olson says. "There are too many uncertainties in this marketplace, and they would rather have a bird in the hand." □



Non-negotiable

Hard line on rates costing newspapers

By Christy Fisher

To attract national advertisers, newspapers are trying to become more user-friendly.

To succeed, media buyers say the papers will need to become more budget-friendly as well.

The newspaper industry, through groups such as the American Newspaper Publishers Association and the Newspaper Advertising Bureau, is pushing new programs, such as one-order/one-bill and improved positioning, to eliminate obstacles to multiple-paper buys.

The industry, via ad sales network Newspapers First, plans to have a sophisticated one-order/one-bill system in place in 1992. The computerized ad placement service reportedly will handle all aspects of a multimarket buy and create a single invoice.

It's the latest in a long line of industry innovations designed to attract national advertisers.

"We're working with advertisers and finding out what [their] needs are," says Cathie Black, ANPA's newly appointed president-ceo. "It's no longer, 'This is what we have and this is what you have to buy,' " she says.

While media buyers applaud the industry's focus on better serving national advertisers' needs, they say one-order/one-bill is no panacea.

National newspaper rates have to be competitive with those of other media—and media buyers say that means newspapers have to be willing to go off their rate cards, which they are loath to do.

In the *Advertising Age*/Beta Research Corp. survey, respondents ranked newspapers as least willing of all media to negotiate rates.

"Newspapers are getting less and less efficient [as an ad medium]," says Jack Cohen, VP-director of print & outdoor media buying for DDB Needham Worldwide, New York. "Circulation has remained flat, but rates have increased 6% to 7% a year."

Bob Zach, senior VP-media director at Chiat/Day/Mojo, New York, puts it a bit more strongly.

"If newspapers have twice the cost per thousand of TV or radio, I'll be damned if I'll put my money there," he says.

Agency media buyers are particularly upset with the 60% premium national advertisers pay over local advertisers, who get more favorable positioning.

"[The rate] differential is absurd—and it keeps getting worse," says Michael Drexler, exec VP-worldwide media director at Bozell, New York.

The issue overshadows other impediments to placing national newspaper ads, buyers say.

"Even if there is one-order/one-bill, the client is still looking for more bang for the buck," Mr. Cohen says. "[Clients] would still be complaining of high costs and they would still fight national rates being so much higher than [local] retail."

Media buyers also question the relative appeal of one-order/one-bill as an inducement to national advertisers.

"Positioning and rates are more important in my mind than ease of purchase," Mr. Zach says.

But price discounts are a sticking point with newspapers.

"One of the problems with pricing is it's against the law to try to coordinate," says Jerry Tilis, VP-marketing for Knight-Ridder. "I can't talk to another newspaper company about pricing."

Len Forman, the ad bureau's president, says when the one-order/one-bill system comes on line, "costs will go down dramatically.

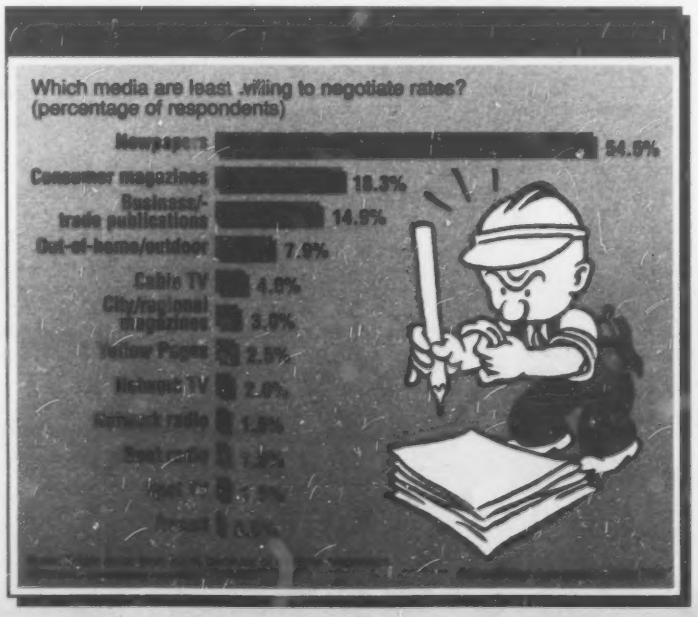
"There will be no discount in the formal sense," he says. "But the network will have considerable savings for advertisers in the ease of making a buy."

Neither have advertisers' complaints about rates fallen on deaf ears, he says. Individual newspapers have created special rates in certain categories, such as beer and package goods, to try to encourage more national advertising. In addition, most national buys placed through the ad bureau's National Newspaper Network came through with CPMs that were competitive with other media because advertisers bought multiple insertions, he says.

Still, "One-order/one-bill has to be done. . . . That's a prerequisite," says Bozell's Mr. Drexler. "But newspapers have to go beyond that to be successful in attracting national advertisers.

"The newspaper industry has to think of itself as a single medium, not 1,600 different media," he says.

"The newspaper industry has to understand who its competitors are—TV, radio, cable, outdoor—and what kind of operating environment it is in. [That] environment is very competitive," Mr. Drexler says. □



Doer's profile

Name: Eric Andrews

Title, agency: assistant media director, D'Arcy Masius Benton & Bowles, New York

Years in current post: 2

Years in media department: 5

When did you first start reading the newspaper? As a senior at Hobart College in Geneva, N.Y. I started thinking about careers.

What newspapers do you read for world events, news? *The New York Times*. I read the living and home sections for pleasure.

What was your first magazine subscription? *Boys' Life*. And, believe it or not, "Ripley's Believe It or Not." I was probably 10 or 11. It [had] lots of outdoor stories.

What magazines do you read for pleasure now? *Bicycling* and *Bicycle Guide*. Those are the only two I read regularly.

Because I get a lot of magazines at work I also look through *Entertainment Weekly* and *People* on occasion.

What were your favorite TV shows as a kid? "Lost in Space" and "The Brady Bunch." I remember a gang of us kids all going in on Friday nights to watch "The Brady Bunch"—though not because of the Brady girls. I was more interested in kickball.

What cancellation of a broadcast TV show saddened you? I honestly don't remember one.

What are your favorite TV shows now? "Cheers." It's great comedy. Actually, I watch fairly little TV. I have a pretty long commute.

My wife tapes "General Hospital" so we watch that over dinner. I must admit I've been sucked in. Now I yell at the TV set and berate the characters.

What show or network captured your fancy when you first got cable? ESPN. It was nice to get all of the sports [programming].

What do you feel is the hottest cable show or network now? One that's been getting a lot of press is "MTV Unplugged." It's where they get various artists to come in and do acoustical sets. It's gotten quite a following. They're releasing some of the shows as CDs.

What type of radio did you listen to as a kid? I guess it was Top 40. I had a transistor radio with the little earplug. I think it was WABC. That was the station everybody was listening to.

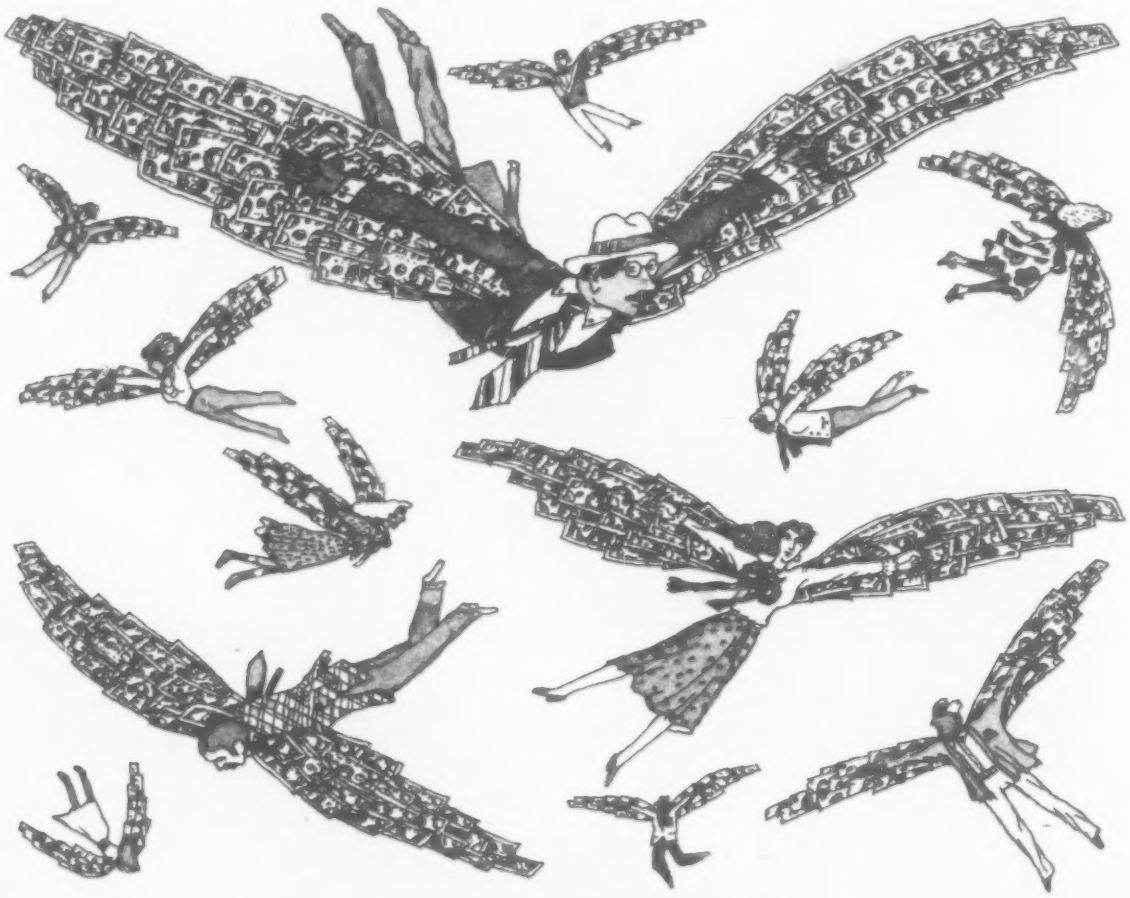
What type do you listen to now? I listen primarily to new wave: Talking Heads, Elvis Costello—that kind of thing. I also started to listen to public radio during the Iran–contra hearings at work. But I moved offices and I can't get it [there].

What childhood movie influenced your life? That's tough. The first movie I saw was Disney's "Search for the Castaways." I thought it was great.

What's the last good movie you saw? I hardly ever go to movies. But I guess I would have to say "Driving Miss Daisy."

What actor would you want to play your life story? Tom Hanks. He's got a great sense of humor. And he's [illegible]—taller than I am. It would end with me running the agency and living happily ever after. They'd discover how brilliant I was and how I'd hidden my talents away.

—Julie Steenhuysen



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Doer's profile

Name: Tom Edwards

Title, agency: budget coordinator/motor sports media planner, McCann-Erickson Worldwide, Troy, Mich.

Years in current post: 1

Years in media department: 2½

When did you first start reading the newspaper? In high school. My favorite sections were the automotive news and business sections.

What newspapers do you read for world events, news? *The Wall Street Journal, USA Today, Detroit Free Press* and *The Detroit News*.

What was your first magazine subscription? Probably *Field & Stream*. I'm a fisherman [and like] boating and sailing and things like that.

What magazines do you read for pleasure now? I enjoy *AutoWeek* [and] the outdoors-type magazines—*Field & Stream, Sports Afield*. Now I'm bombarded by magazines at work. . . . I still read these for pleasure, but it's hard to diffentiate between work and others now. I look at newsweeklies, too.

What were your favorite TV shows as a kid? "M*A*S*H," "All in the Family" and, as I grew a little older, I enjoyed news-oriented programs like "60 Minutes." The shows were very timely in teaching us values, . . . bringing up problems like race and religion. Especially "All in the Family"—it was a very daring show.

What cancellation of a broadcast TV show saddened you? "The Bob Newhart Show." Both the first one, where he was a psychiatrist, and "Newhart," where he ran the inn, but it applies more to the first one. It was one of the last of the good old-time comedy shows. Now there's a different kind of humor on TV. ["The Bob Newhart Show"] was more quality humor. Viewers were more demanding back then. There's a different kind of viewer now.

What are your favorite TV shows now? I'll tell you, but you might not want to print it: "Married . . . With Children." I still enjoy "60 Minutes," "20/20" and "Prime-Time [Live]." News shows because they are straightforward and deal with current issues. "Married . . . With Children" because it doesn't hold back. I also

like "Cheers" and "Arsenio."

What show captured your fancy when you first got cable? CNN's "Headline News." In general, I think cable allows you to have more variety.

What do you feel is the hottest cable show now? I don't have a particular show. . . . In general, I enjoy catching the news, . . . sporting events like the NASCAR updates and PGA golf updates on ESPN.

What type of radio did you listen to as a kid? Top 40, soft-rock-type music. Also, with my family, I listened to talk radio. And always sports programming, with the Detroit Tigers.

What type do you listen to now? I still listen to sports on radio; [I] also enjoy all-news stations and news updates. I get a lot of my news from radio. With a busier schedule, I have to get it in the most quick and compact form possible; at times you need to go to newsweeklies, but other times you need it as quick as possible.

What childhood movie influenced your life? "To Sir With Love" with Sidney Poitier. It brought out the interaction between people and races and taught respect. I also really liked "The Godfather" and "The Sting."

What's the last good movie you saw? The last good movie I saw was "Silence of the Lambs." I enjoyed it because it was a thriller and it was well done.

It's hard to get a decent movie nowadays. I generally enjoy action-type movies, but not necessarily thrillers. I'm not a fan of "Friday the 13th"-type movies, but this was a thriller and a "good" movie.

What actor would you want to play your life story? Alan Alda. In "M*A*S*H," his character, Hawkeye, was always very opinionated. He takes a stand and is not so worried about the end, but rather the means.

—Therese Kauchak

Doer's profile

Name: Christine Browning

Title, agency: local broadcast assistant supervisor, Ogilvy & Mather, New York

Years in current post: 1

Years in media department: 1

When did you first start reading the newspaper? Eighth grade. I had a history teacher who required us to bring in a current events article . . . and talk about it.

What newspapers do you read for world events, news? *The New York Times*, because it's the most accessible and it covers everything.

What was your first magazine subscription? It's tough to remember that far back. It was probably *Reader's Digest*. It had great short stories in it.

What magazines do you read for pleasure now? I read *Shape* and *Bon Appetit*, to keep up with the latest on health and fitness [and] for the latest tips on food and wine.

What were your favorite TV shows as a kid? "Mary Tyler Moore" and "That Girl." I think it's because both shows featured career women, and that appealed to me.

What cancellation of a broadcast TV show saddened you? I was upset when they canceled "China Beach," but now it's back. It's a show that offers a unique perspective of the Vietnam War. The war took place when I was very young, so I never really understood it.

What are your favorite TV shows now? "Northern Exposure." It has a unique story line and unique characters. I also like "Doogie Howser, M.D." because it's a youthful show, but every episode ends with a moral or recap that the producers want you to take away with you.

What show or network captured your fancy when you first got cable? I started watching E! Entertainment Television because it provided light news and an update of what's going on in the film industry.

What do you feel is the hottest cable show now? I don't think there's one specific show, but sports programming in general on ESPN is popular.

What type of radio did you listen to as a kid? Top 40.

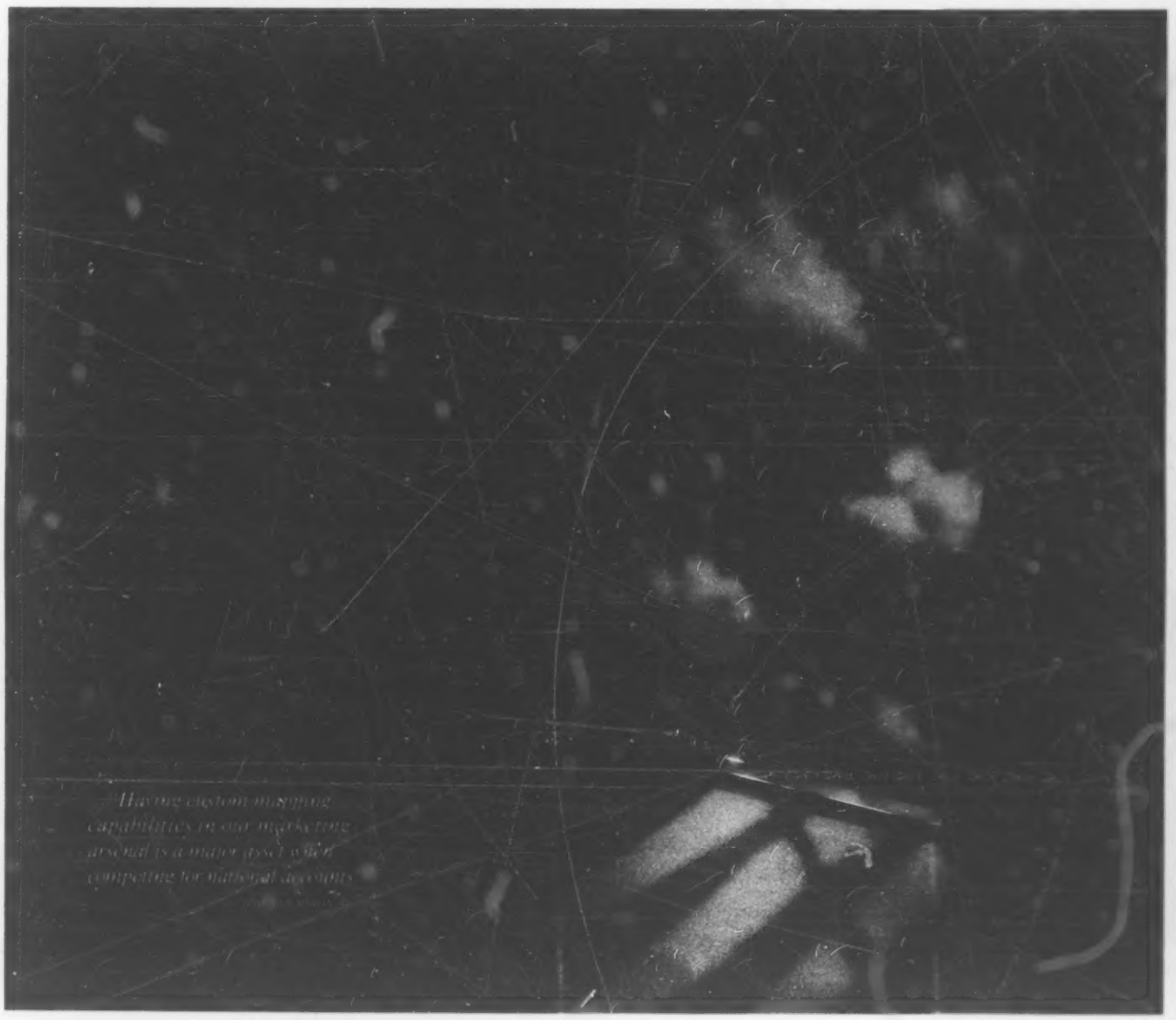
What type of radio do you listen to now? Now I listen to progressive jazz.

What childhood movie influenced your life? My all-time favorite movie is "It's a Wonderful Life" because it proved that nice guys don't have to finish last.

What's the last good movie you saw? "Silence of the Lambs," because it was the first movie I had seen in a long time that created a suspenseful mood from the very first scene and sustained it throughout the movie.

What actress would you want to play your life story? Demi Moore. I think she's very versatile as an actress. I can picture her in a business suit, but on the other side I see her as having a lot of fun.

—Debra Aho



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THE POWER IS ON

Multimedia 'multi-mania'

But shops argue whether deals force media department restructuring

By Joseph M. Winski

Soon after Time Inc. and Warner Communications announced plans to merge in 1989, Bozell swung into action.

The ad agency put together a team of media, marketing, direct marketing, creative and public relations staffers to analyze the media properties involved.

By the time the merger was formally completed, Bozell had a plan ready to take to Time Warner. It was refined and then presented to the client, Chrysler Corp.

The result was a roughly $50 million Chrysler "Rediscover America" campaign late last year using Time Warner magazines, direct mail, videocassettes, audiocassettes and even a book, *Rediscovering America's Roads*, published by a Time Warner subsidiary and given to people who test-drive Chrysler products.

This was the "big bang" in what some are calling the hottest trend in advertising-multimedia deals, in which an advertiser buys a package of different media properties belonging to one owner or to an alliance of media companies.

Time Warner has inked even bigger deals since the Chrysler program: an $80 million campaign with General Motors Corp. and a reported $100 million package with Mazda Motor of America. Not to be outdone by Time Warner, media properties such as NBC, *Parade*, *TV Guide*, and *USA Today* are banding together—offering a 1992 Summer Olympics package—and several magazines and cable networks also have joined forces.

Bozell, meanwhile, is wrapping up a multimedia deal for Chrysler with Hearst Corp. that would include Hearst's magazines, cable networks, newspapers and other media properties.

"Multimedia integration is the wave of the future," says Michael Drexler, exec VP-worldwide media director at Bozell, New York, and a principal architect of the Chrysler/Time Warner deal.

Respondents to an *Advertising Age*/Beta Research Corp. survey of media department executives seem to agree: 76.2% say they are interested in multimedia deals. Nearly a quarter say they already have participated in them in some form.

Arnie Semsky, exec VP-media and programming services at BBDO Worldwide, New York, expects 20% of all buys to involve such multimedia deals within the next two to three years, up from his estimate of 2% today.

But agencies differ on how much they need to change to handle multimedia deals.

> "Someone must have authority to insist individual companies participate."

Mr. Drexler says they demand a significant overhaul that breaks down the walls between traditionally independent agency departments.

"We have had to, in effect, change the infrastructure," he says. "You cannot operate in the conventional agency way, where you offer a menu of diversified services and each one has to be profitable."

Equally important, Mr. Drexler says, is the adoption of a big-picture mentality.

"You have to retrain your people. They can't think like media people per se anymore. They have to think of themselves as marketing people who happen to be experts in media," he says.

Bozell has several ad hoc teams studying additional multimedia proposals. The agency also now requires every media plan to incorporate "an extended communications package" involving "components that go well beyond just the selection of traditional media," Mr. Drexler says.

Other agencies say they don't see the need for all that much change.

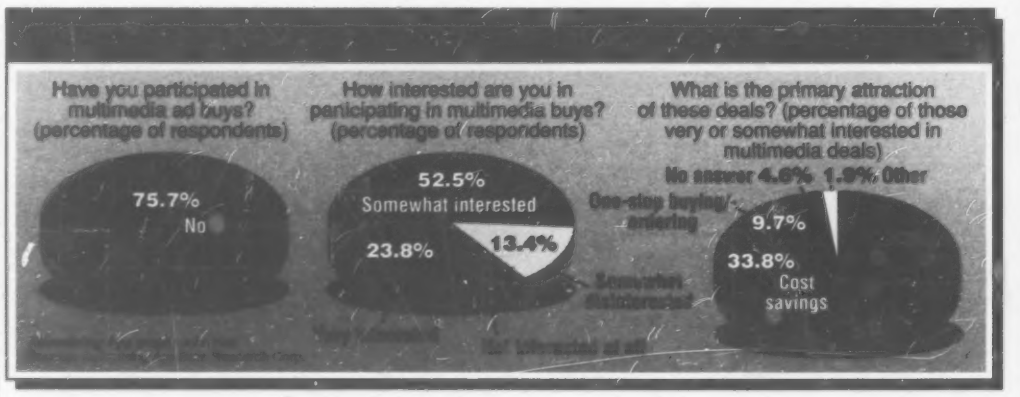
Michael White, exec VP-director, media department, DDB Needham Worldwide, Chicago, says the agency's existing "media strategist" supervising a brand simply "becomes the point person" on multimedia deals, calling on the agency's specialists in cable, magazines and other disciplines.

At Foote, Cone & Belding, New York, assembling multimedia deals has resulted in at most "a subtle adjustment," says Joseph Ostrow, exec VP-corporate media director. A senior person like himself becomes the lead person on such deals.

"So there's a different mix of people and it is really done at a higher level than a lot of media planning is done," he says.

"No sweat," says Gordon Link, exec VP-worldwide media director at McCann-Erickson Worldwide, New York, on the agency's readiness for multimedia deals. "We have the right combination of talents and insights right now."

Similarly, BBDO's Mr. Semsky


Have you participated in multimedia ad buys? (percentage of respondents)
75.7%
No
How interested are you in participating in multimedia buys? (percentage of respondents)
52.5%
Somewhat interested
23.8%
13.4%
What is the primary attraction of these deals? (percentage of those very or somewhat interested in multimedia deals)
No answer 4.6%
1.9% Other
9.7%
33.8%
Cost savings

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* ABC Fas-Fax Reports, 3 months ending March 31, 1991

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says, "I think the multimedia buy is really an old concept with a new focus."

Agencies do say costing out a multimedia deal is trickier. The usual cost-per-thousand approach can't measure the synergies multimedia deals supposedly offer, especially when non-conventional, unmeasured media are part of the package. The whole may indeed be greater than the sum of its parts, as multimedia-package supporters contend, but nobody as yet knows how to calculate how much greater.

If significant change must occur for multimedia deals to flourish, it is the media companies that have to make it, some agency executives contend.

They complain too many media companies are simply trying to sell what they happen to have.

"The problem we have right now, frankly, is that the sellers are trying to prepackage too much," DDB Needham's Mr. White says. "They say, 'I own this. I own that. Now you buy them together and I'll give you 5% off' or whatever.

"They're just not doing a very good job of going in and finding out what an advertiser needs and crafting something that's responsive to those needs," he says.

"There are a number of media organizations out there that are trying to position themselves as multimedia players when in reality they are nothing more than a hodgepodge of small vehicles," agrees Fred Wray, senior VP-media director at FCB, Chicago. "I see more of those than I see viable packages."

The *Advertising Age*/Beta Research study suggests media companies that rely solely on the one-

(Continued on Page S-28)

Square pegs, round holes

By Junu Bryan Kim

Cross-media deals may be the latest hot button in media departments these days, but so far, few agencies have been able to push it.

Media directors' interest in such packages is strong.

In the *Advertising Age*/Beta Research Corp. survey, 23.8% say they're very interested in joint-venture multimedia ad deals and 52.5% are somewhat interested.

Nevertheless, only 24.3% have participated in such buys. Among those who haven't, 58.2% say the reason is lack of opportunity.

At Ally & Gargano, New York, for example, packages that sellers have presented don't quite match the needs of the agency's clients, says Dawn Sibley, exec VP-director of media and communications services.

"It's not like ABC is selling with *Family Circle*," she says. She adds that the Time Warner packages include cable TV, "and we still see cable as an ancillary medium."

Some buyers say clients are leery of multimedia deals because they seem appropriate only for major advertisers, an impression fostered by publicity surrounding such deals as General Motors Corp.'s $80 million link with Time Warner.

"[The client's] reaction is, 'That's too big for me; that would take up too great a portion of my budget,' " says Norm Goldring, president-ceo, CPM Media Management, a Chicago-based media buying service.

The "too big" complaint is common among media buyers who haven't participated in such deals, the *Advertising Age*/Beta Research survey shows. In addition to lack of opportunity, 12.4% of respondents say they haven't participated in multimedia deals because the total price of the packages is too high, and another 11.1% say clients aren't interested in them.

"There are clients out there who don't want them: They're labor-intensive, and they can't be measured in the computer as well as, say, four Super Bowl minutes," says Larry Spiegel, principal at Richards Group, Dallas.

Moreover, some buyers say sellers are out of step with the smaller advertisers.

"They kind of sell the concept as being big for big people," says Kathleen Hall, senior VP-media director, Leonard Monahan Lubars & Kelly, Providence, R.I.

"Time Warner talks about the big picture but they don't give you specific ideas on how [multimedia deals] might work on a smaller level," she says. "I asked [Time Warner] how it might work for us on our level, and they were real vague." □

Instant lesson

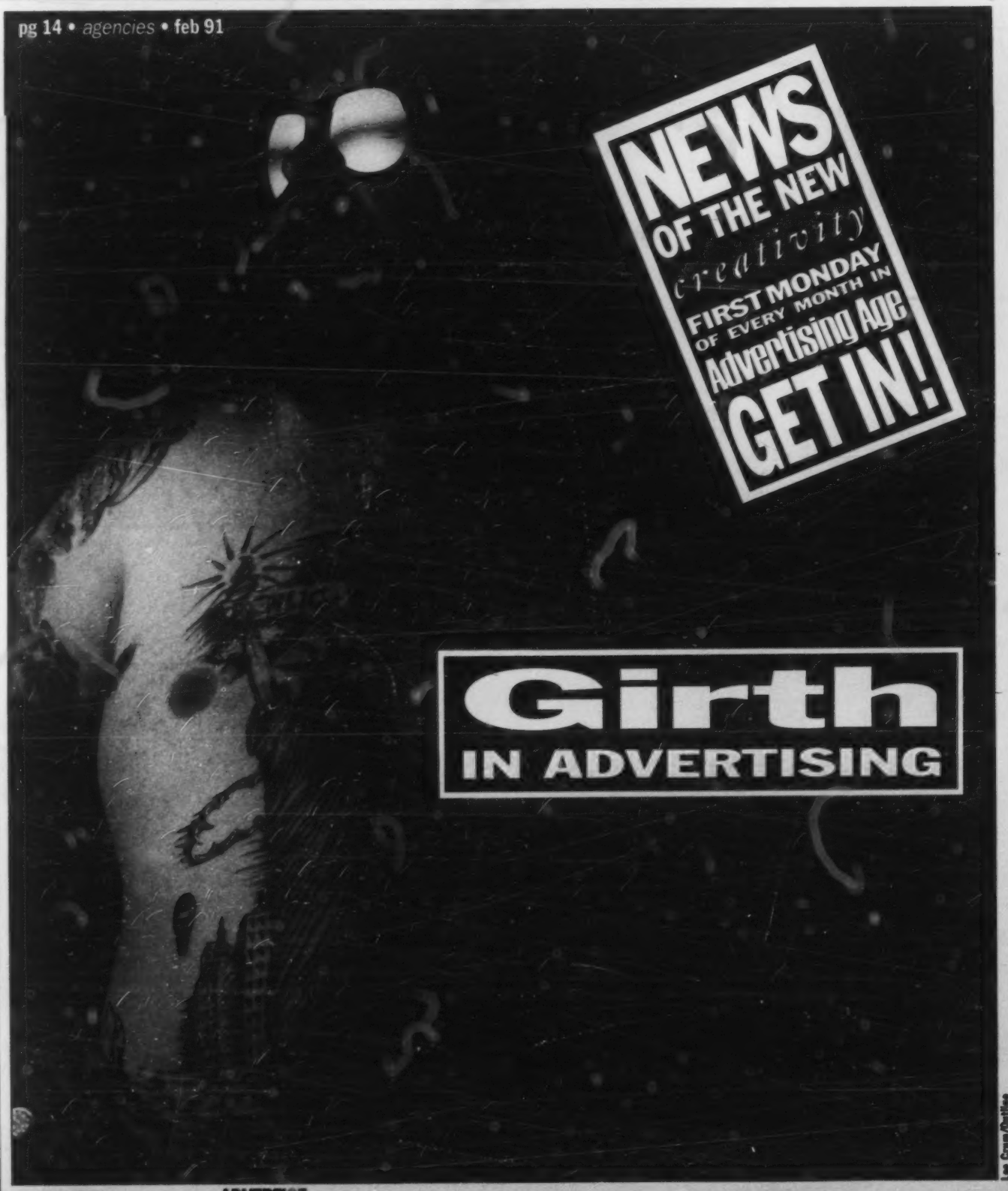
So, the idea of multimedia deals has a certain allure, a cachet, a je ne sais quoi? *Just follow these three easy guidelines and wait for the fun to begin:*

1. Beware of media companies bearing packages.
They'll try to sell you every media thing they own, cheap. If it doesn't reach the target audience by itself, it won't as part of a package either.
Bad sign: The media company person says, "We also have a TV station in Fresno."

2. Tear down the walls, forget the profit centers.
Your people really do have to work together on this. So do the folks running parts of the media company and client.
Bad sign: Brand manager says, "Whose budget does *that* come out of?"

3. Somebody's got to pull the trigger.
Multimedia deals are made by senior-level people who have the power to say yes or no.
Bad sign: Your counterparts say, simultaneously, "May I use your phone?"

—Joseph M. Winski



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Dogged determination

Ralston, cable net make 'value-added' come to life

By Alison Fahey

Cable is going to the dogs, and Ralston Purina Co. and The Family Channel are lapping it up.

What started as a routine upfront cable buy last August ended up as a comprehensive value-added package that thrust Ike, the marketer's Lucky Dog brand spokesdog, onto a million TV sets via a cameo appearance on Family Channel's "Maniac Mansion." For its part, Family Channel got an increased advertising commitment from Ralston and mentions in Ralston advertising and promotional efforts.

All in all, the nine-month process linked the marketing and promotional departments of the package-goods marketer, the cable TV network, a media buying agency and an ad agency. Here's a step-by-step look at how the elements came into play.

■ **Early August:** Ralston makes 1990-91 upfront cable buy on Family Channel for many of its brands.

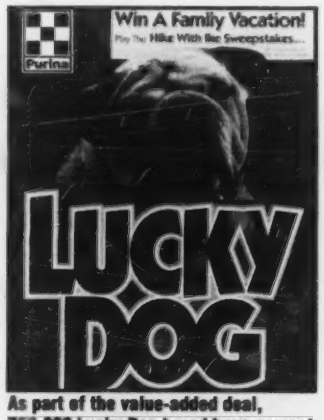
■ **Mid-August:** Family Channel and Ralston discuss value-added programs in exchange for Ralston increasing its budget.

■ **Late September:** Ralston marketing executives present Family Channel with a promotion budget for Lucky Dog and propose a plan to have spokesdog Ike stand apart in a competitive market. The channel approaches four producers of 10 of its original series to see which show would best incorporate Ike into a script.

■ **Early October:** Family Channel meets with Ralston and Advanswers, St. Louis, its media buying agency, and proposes tying in Ike with an unspecified original series along with on-air promo spots.

■ **Late October:** Channel writers and producers meet with Ralston's Lucky Dog brand managers and all agree Ike will make a cameo appearance on the sitcom "Maniac Mansion" as Ike, the Lucky Dog.

■ **Early November:** Ralston approaches Family Channel with "Hike With Ike" sweepstakes idea in which viewers call a 900 number and guess which U.S. landmark Ike is calling from after getting clues. Calls cost 90¢ per minute; the average call costs $1.80. Right answers qualify callers for the game. Ralston offers to put the logos for Family Channel and "Maniac Mansion" on 750,000 Lucky Dog bags.



As part of the value-added deal, 750,000 Lucky Dog brand bags cement the link with Family Channel.

■ **Late November:** The script of "Maniac Mansion" featuring Ike is written.

■ **December:** Executives from Ralston and Family Channel and Ike travel to Toronto to shoot "Maniac Mansion."

■ **January:** Ralston and Family Channel negotiate a deal in which Ralston tags its 30-second image spots running on the channel with mentions of "Maniac Mansion" and the cable network. In exchange, Family Channel would regain time from local systems in a combination cash/barter deal, giving Ralston extra exposure in certain markets.

■ **February:** Family Channel produces an ad for *TV Guide* featuring Ike with "Maniac Mansion" star Joe Flaherty. The channel also starts producing on-air spots to mention Ike the dog's cameo.

■ **March 1:** 750,000 Lucky Dog brand dog food bags appear in supermarkets nationwide featuring details of the promotion. "Maniac Mansion" and Family Channel logos appear on the bags.

Ralston starts its image campaign on Family Channel with some spots tagged with Family Channel and "Maniac Mansion" logos. The channel starts on-air spots for "Hike With Ike" sweepstakes and his appearance on "Maniac Mansion."

■ **March 5:** The cable network hosts a luncheon in St. Louis for executives from Ralston and Advanswers to screen the upcoming show.

■ **March 9:** Ad runs in *TV Guide*. Coincidentally, the same issue features a cover story on "TV's most pampered pets."

■ **March 10:** Ike makes his debut on "Maniac Mansion" as part of a dream sequence in which he is "created" in a laboratory and named Ike, the Lucky Dog. Program gets a 1.8 rating (about 1 million homes).

■ **May:** Ralston counts 25,000 phone calls and 30,000 write-in entries to the promotion.

Ralston "was very pleased with the promotional exposure for Lucky Dog," says Patrick Farrell, manager-corporate information. "From that standpoint, we would do it again." □

Information supplied by the Family Channel.

Very addictive

'Value-added' plans hook marketers, and they won't let go

By Alison Fahey

Media companies beware: value-added programs are taking on narcotic properties.

"The client has become dependent on them; it's like a drug," says John Barbera, president of Turner Broadcasting Sales, a unit of Turner Broadcasting System.

The *Advertising Age*/Beta Research Corp. survey of media directors shows just how powerful a narcotic value-added programs have become. Asked to rank nine media decision-making factors on a scale of 1 to 5, where 5 is very important and 1 is not important at all, surveyed media directors gave value-added programs the top mean score of 3.96. Media-provided research ranked No. 2 at 3.39 and special events at 2.97.

"Value added" has evolved into a vague term used to describe any elements of a deal above and beyond the actual media buy, including special events. These extras frequently are offered at discount rates or no additional charge, and they run the gamut from promotions to custom publishing to free inventory in other media.

"The smart advertisers are really using the media to beef up their promotion efforts," says Dawn Sibley, exec VP-director of media and communications services at Ally & Gargano, New York. "[The media] throw in everything from the printing of booklets to tickets to tennis tournaments."

Clients and their agencies have come to expect value-added marketing programs, and media companies are quick to offer them.

However, media and agency executives say clients may come to rely too heavily on value-added marketing programs, which media companies may not always be so willing to offer.

"True," agrees Bonnie Barest, senior VP-media director at Bloom FCA, New York. "Once [media companies] set precedent, it'll be real hard to give it up."

However, she adds, agencies and clients look at value-added deals in a different way than media companies. "It's more of a partnership role [between clients and the media]," Ms. Barest says. "It's not something that should go away when there's more money available. In fact, there could be more of these types of programs when things are good."

Therein lies the danger for media companies looking to throw in some extras in tough times to make the sale.

"In a down economy you give, give, give," Mr. Barbera says. "When the economy bounces back, clients will still expect you to give." □

Scott Donaton contributed to this story.

Data stream turns torrential

Swimming in research, buyers grasp at syndicated over media surveys

By Scott Hume

Thanks to the media, agency buyers are drowning in data.

Each year, magazines, newspapers, broadcasters and out-of-home media send out a flood of quantitative research on subscriber or audience makeup. They balance this with qualitative surveys, profiling their audience's lifestyle interests and buying habits.

The results of both kinds of research land primarily at advertising agencies, where the reception to them is mixed.

The research is intended to provide agencies with information on consumer buying habits not available through standard syndicated research sources.

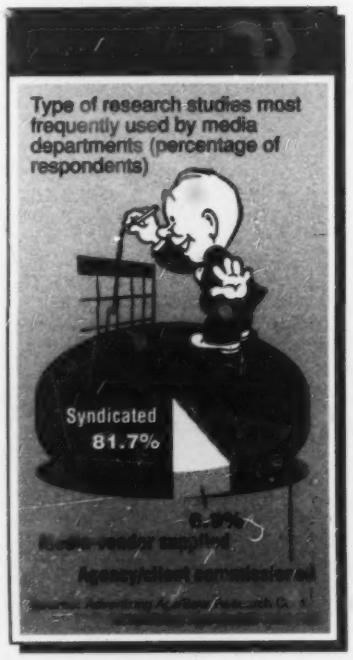
But the stacks of surveys also serve as a key sales tool, meant to impress on media buyers the importance of reaching the audience of a specific media property. That built-in bias always has made the media's own research suspect among some agency executives.

And with the information overflow now washing over agencies and the fiscal burdens media are facing, the role of media-supplied research is in question.

"Media companies pay money to have numbers that support their sales positions. It gives the sales reps something to talk about, but usually it's just not responsive to my needs," says Roger Baron, VP-director of media research at Foote, Cone & Belding, Chicago.

"That's not to say it doesn't have a role. It does, but it's a supporting role. It can help reinforce the case if you're recommending a new magazine or new media the syndicated research doesn't cover," he says. "But really I'd rather stick with research that we've paid for."

Mr. Baron's not alone in that thinking, according to the *Advertising Age*/Beta Research Corp. survey. When asked which type of research they use most often, only 6.9% of media directors say media vendors' studies. The majority—81.7%—turn to syndicated studies first, then client or agency-commissioned, custom research.



Robert Dillingham, VP-publisher of Hearst Corp.'s *Popular Mechanics*, concedes the primary importance of syndicated research but says that needn't negate the value of media-supplied data.

"Simmons and MRI and other syndicators have made the job of the media buyer easier, but the magazines still do proprietary studies to prove a point and to provide information that isn't available elsewhere," he says.

That information doesn't go ignored by media buyers. While media buyers may prefer other types of research, in a ranking of media sales tools, media-provided research ranks second only to value-added programs in terms of usefulness and ability to influence buyers' decision making, the *Ad Age*/Beta Research survey shows.

Michael White, exec VP-director, media department at DDB Needham Worldwide, Chicago, and others agree media-supplied audience research has a role—if properly understood and used.

"It very definitely has a place. All it needs is someone at the agency to evaluate it," Mr. White says.

"We encourage it. In some cases, we're pleading for it. We need to know where the consumer's mind is when reading a magazine, and we need to understand what messages they'd be open to. To me, that springs from the kind of editorial research [the media] do, and not what the syndicators do."

Such research serves to communicate the media company's story, says Margery Gladstone, associate publisher of *Lear's*, which has just completed a major readership study.

"For those who want to sell the lifestyle flavor of a book, and not just the numbers, [media-provided research] tends to tell much more than the syndicated research," Ms. Gladstone says.

"The huge magazines may not need to undertake as much research, but for smaller magazines, under 1 million subscribers, where the lifestyle fabric of the readership is so important, it's vital," she says.

Additionally, Ms. Gladstone says magazines that don't provide their own research studies court the perception that the numbers were too unfavorable to be released.

The development of new media, especially so-called "place-based" media, such as Actmedia and Turner Broadcasting System's in-store Checkout Channel or Whittle Communications' Special Reports Television in doctors' offices, has given media-supplied research additional importance.

Syndicated media research doesn't adequately cover some of these outlets, so agencies rely on the media themselves to provide audience information.

"The place-based media have recognized that they don't exist except for the numbers they generate, so their research is vital and it is improving," says Bob Warrens, senior VP-director, media resources & research at J. Walter Thompson USA, Chicago.

"These media have turned to A.C. Nielsen [Co.] or other established research vendors and developed a list of procedural guidelines to lend credibility to the emerging media and make the research usable. They know they can't sell [their media] unless the research meets industry standards."

Adds Bruce Goerlich, senior VP-media research at D'Arcy Masius Benton & Bowles, New York: "Would I take syndicated research over media-supplied? Sure. But when a magazine or a medium is new and unproven, you're buying from an investment point of view.

"All the new media are going to need research on traffic or subscribers, and we need to look at it and evaluate it, so I don't see the area of media-supplied research going away."

> "I'd rather stick with research that we've paid for."

The overall quality of both the audience and attitudinal research being supplied by the media has improved in recent years, many agency executives say, in part because more of it is being done by established researchers.

"A lot of it used to be very self-serving, based on selected facts, like a sales brochure," JWT's Mr. Warrens says. "Now the syndicators themselves are doing a lot of it and putting their own reputations behind this research."

Gaining credibility from an independent research company has become crucial, says Rick Jones, research director for *Reader's Digest*, which recently released a study on consumers and the environment conducted by Beta Research.

"The research needs to be perceived as independent and objective; that's why third-party involvement is important," he says.

While commissioning research is a "serious" financial commitment for *Reader's Digest*, Mr. Jones says the outlays are more than covered by the goodwill the magazine receives.

"We set up the *Reader's Digest* Consumer Panel two years ago. More than 50 clients took advantage of it last year [for research projects].

"It's an asset for our clients, and in this conservative market, many companies have reduced their in-house market research staffs," Mr. Jones says. "It gives us a proactive sales tool that can be part of an added-value package or utilized on a fee basis.

"While we look at every dollar we spend, are we looking at cutting budget for research? Not at this time or for the foreseeable future," he says.

The recession is decreasing the amount of new media outlets, especially magazines, being developed, but otherwise agency executives say they haven't felt the amount of media-supplied research decreasing.

That doesn't mean it won't be changing.

"I think you'll see more pooling of research in the larger media companies," Mr. Dillingham says. Hearst already has restructured its research department to allow more sharing of corporate data on consumers.

"And with the attention being given to cross-media packages, it's only natural that multimedia research will follow. Where you might once have had a *Life* study on entertainment trends, maybe you'll see a Time Warner study. But there'll still be value, and there'll still be interest." □

Doer's profile

Name: Jim Wyland

Title, agency: media planner, Foote, Cone & Belding Communications, Chicago

Years in current post: 1½

Years in media department: 4

When did you first start reading the newspaper? [Age] 13 or 14. I delivered newspapers, so I just liked reading while I was delivering. I mostly read the sports [section].

What newspapers do you read for world events, news? The *Chicago Tribune*.

What was your first magazine subscription? *Sports Illustrated*. I think I started getting them as a gift.

What magazines do you read for pleasure now? *Sports Illustrated* and, occasionally, *GQ* or *People*. I like *Sports Illustrated* because I want to keep on top of what's going on [in sports].

What were your favorite TV shows as a kid? "The $6 Million Man," "60 Minutes," "Walt Disney" and "Monday Night Football."

What cancellation of a broadcast TV show saddened you? "Thirtysomething" and "Hill Street Blues."

What are your favorite TV shows now? "Cheers," "L.A. Law," "Murphy Brown," "Coach" and "Doogie Howser, M.D."

What show captured your fancy when you first got cable? "SportsCenter" on ESPN. Every night around 10:00 or 10:30. It's just a half-hour or hour of sports of the day—what happened—with box scores.

What do you feel is the hottest cable show now? [I have] no idea.

What type of radio did you listen to as a kid? Pop, Top 40. I think pretty much all teen-agers like pop music. I don't know why.

What type of radio do you listen to now? New music, alternative rock. I listen to WXRT-FM [a Chicago progressive music station] in particular. I'm sick of Top 40.

What childhood movie influenced your life? "Rocky," because it was a good story of how you should never give up.

What's the last good movie you saw? "Silence of the Lambs." It was scary, and there was something about [the character Hannibal Lecter] that you liked.

What actor would you want to play your life story? Robin Williams, because I crave his sense of humor.

—*Julie Johnson*

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Making a short run

Those long-term ad packages, in this environment, are set for early cancellation

By Bradley Johnson

The prognosis for long-term media deals isn't particularly healthy.

While a big spender such as General Motors Corp. has shaken the industry with expansive multiyear packages, many media and marketing executives contend such long-term ad contracts are destined to remain the exception.

The recession is cutting off any immediate chances of long-term deals becoming commonplace as media outlets and advertisers alike worry more about coming months than coming years.

Although multiyear ad schedules should hold more appeal as the economy recovers, many media executives say even under better circumstances such contracts' appeal will remain limited.

Their prediction is supported by the *Advertising Age*/Beta Research Corp. survey of media directors in which only 14.9% say they are very interested in such deals and 37.6% claim to be somewhat interested. This compares with 20.3% who say they're somewhat disinterested and 27.2% who say they aren't interested at all.

"There hasn't been any great groundswell among national advertisers or retail advertisers to sign into multiple-year contracts," says John Kosanke, exec VP of Newspapers First, national rep for Knight-Ridder, Times Mirror Co. and other papers. "It could grow as we come out of the recession . . . [but] will never be a major factor."

Multiyear deals' primary attraction is potential cost savings, say 67% of surveyed media directors. But this benefit is lessened by the current depressed ad market, leading media sellers to shy away from offering long-term packages at today's media prices.

"It's a buyers' market," says one magazine executive who asked not to be identified. "It's not to a publisher's advantage to make a commitment two or three years out."

The drop in network TV's upfront prices this year, effectively returning prices to 1989 levels, offers another reason for advertisers' reluctance, says George Mahrlig, director of media services at Campbell Soup Co. "Doing a long-term contract last year wouldn't have put you in a very good condition this year," he says.

Both media buyers and sellers are accustomed to planning by quarter or a year out at most, another impediment to making multiyear pacts work. The amount of time or space advertisers purchase in various media also fluctuates year to year, offering little incentive to buy long-term.

"The tendency right now is to keep the funds as flexible as possible," says George Hayes, senior VP-director of media planning at McCann-Erickson Worldwide, New York.

The strongest multiyear deals for both sides are multimedia programs that give an advertiser the flexibility to move dollars among media owned by one company, but not too much flexibility to pull spending out of the company, Mr. Hayes says.

As it stands, multiyear contracts crop up most frequently where a media outlet has a hot property with limited available ad inventory. Almost 22% of surveyed media directors say guaranteeing an advertiser's presence in specific programming is the primary attraction of multiyear pacts.

ABC Radio Networks' "Paul Harvey Show," for example, is able to negotiate extended ad contracts because Mr. Harvey is sold out year-round, says Louis Severine, ABC Radio's senior VP-director of sales.

Multiyear deals also occur on TV and radio sports broadcasts, where the audience tends to be predictable and an advertiser wants to lock in a position to reach that particular audience.

Anheuser-Busch Cos. and Unocal Corp., for example, have five-year contracts to sponsor the Los Angeles Dodgers on KABC-AM. George Green, the station's president-general manager, says sponsorship of the baseball team entitles the companies to better rates and gives them merchandising advantages, such as in-stadium signage, personal appearances by baseball players and tickets.

Most ad reps, particularly in print, don't have the luxury of selling a finite medium, meaning advertisers face little chance of being locked out if they hold off on making a decision.

"We can always print more pages," says Craig Standen, VP-marketing/advertising at Scripps-Howard. "It's not like we're going to run out of paper."

Rather than pushing simple long-term contracts, Mr. Standen says he's more interested in developing ad programs that tie together a newspaper, special sections, preprints and a paper's alternative-distribution delivery service, allowing advertisers to reach either the total market or narrowly targeted consumers.

Other media executives and advertisers place similar hopes in packaging single-year buys involving one or more media rather than in pursuing long-term contracts. Such programs help wed an advertiser to a media outlet on the theory that a series of short-term ad contracts will create a long-term relationship.

At *Runner's World*, for example, Publisher George Hirsch attracted ads from Alamo Rent-A-Car by helping it organize a series of races. As long as Alamo is interested in racing, it presumably will be in *Runner's World*—even though its contract runs only for one year at a time.

Though short-term deals apparently will remain the standard, many executives at both media companies and advertisers say multiyear contracts will gain at least some acceptance in coming years.

"Like everything else, it starts with a running start, then you stumble, then you start running again," McCann's Mr. Hayes says. "Right now, we're in the stumbling phase."

But Mr. Hayes is reluctant to say just how soon—and to what degree—multiyear deals will take off.

"Everybody's going to be a little bit more tentative" emerging from the recession, he says, so for the foreseeable future there will not be any run on multiple-year deals. □

Doer's profile

Name: Meg Langley

Title, agency: national TV supervisor, BBDO Worldwide, New York

Years in current post: 1

Years in media department: 4

When did you first start reading the newspaper? Probably about eighth grade. I had to start reading *The New York Times* for class every day.

What newspapers do you read for world events, news? *The New York Times*. I usually read the world news section and the advertising column in the Business section. I like Wednesdays especially, with the Life section and the Metropolitan Diary.

What was your first magazine subscription? *Seventeen*. I cheated; I was about 15 when I got it, but I thought I was really cool because I was reading *Seventeen* at my age. I liked the write-in questions that the magazine would answer.

What magazines do you read for pleasure now? *Glamour*, probably for the same reasons I read *Seventeen* back then; *Premiere*, because I like to know about movies, production and actors; and *Time* or *Newsweek*, if I can get my hands on them.

What were your favorite TV shows as a kid? I remember I used to watch "Emergency!" on Saturday nights. I also liked "The Brady Bunch." Marcia was probably my favorite Brady kid.

What cancellation of a broadcast TV show saddened you? "Thirtysomething." Now I'm going to have to find something to do on Tuesday nights.

What are your favorite TV shows now? "L.A. Law" occasionally, "Murphy Brown," "Designing Women"—all the women 25-to-54 shows.

What show captured your fancy when you first got cable? My parents first got cable when I was home [after graduation] from college. I liked watching the movies on the premium stations. I also liked MTV.

What do you feel is the hottest cable show or network now? It's hard to say because when I think of something that's hot, I think of something that people talk about a lot. I don't really get a sense that there's anything that's hot. But I think the most innovative, changing network is MTV. I like to catch the Top 20 video countdown, and I zap into it once in a while.

What type of radio did you listen to as a kid? Top 40. I remember hearing a lot of Elton . hn. Probably the first album I got was by Styx or Chicago.

What type of radio do you listen to now? Classic rock. But sometimes I'll flip back to Top 40. I feel like I'm getting old when I don't know what the Top 20 singles are.

What childhood movie influenced your life? The first movie I remember seeing is "The Sound of Music." For a while I wanted to move to Austria, become a nun, marry a guy with a million kids and sing in the Alps. But maybe it didn't influence my life a lot since I'm doing what I'm doing now.

What's the last good movie you saw? "Dances With Wolves." I like Kevin Costner, and I thought the movie was really well-done. It didn't seem like a three-hour movie.

What actress would you want to play your life story? Michelle Pfeiffer. I think she'd add a lot of glamor to my life.

—Junu Bryan Kim

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AA-07

Doer's profile

Name: John Fraser

Title, agency: media supervisor, Leo Burnett USA, Chicago

Years in current post: 10 months

Years in media department: 2 years, 10 months

When did you first start reading the newspaper? I guess it was probably not until high school, probably for a class in which we had to keep track of current events.

It was really a class that started me off getting interested in newspapers. Before that, though, I always kept an eye on the sports page.

What newspapers do you read for world events, news? Primarily the [*Chicago*] *Tribune*. I occasionally glance through [*The Wall Street*] *Journal* if something catches my eye, primarily in the marketing section.

What was your first magazine subscription? *Boys' Life*. I was a Boy Scout. And then, shortly thereafter, I started reading *Sports Illustrated*.

What magazines do you read for pleasure now? *Golf Digest, Time, Newsweek* and *U.S. News* [*& World Report*] are the biggies, and *Sports Illustrated* still.

What were your favorite TV shows as a kid? "The Brady Bunch" and "The Partridge Family." It was a big deal getting to stay up to watch those. "Wide World of Sports" was a biggie. Then I gradually progressed to the Saturday night shows: "Love Boat" and "Fantasy Island."

What cancellation of a broadcast TV show saddened you? Nothing offhand. I always was able to find or do something else equally entertaining.

What are your favorite TV shows now? Golf tournaments on Saturdays and weekend sports in general. "L.A. Law" is my prime-time favorite.

What show captured your fancy when you first got cable? "ESPN SportsCenter" and "CNN Headline News," because they were great capsule looks. Within 30 minutes, you could get a great idea of what was going on worldwide in sports and in the news.

What do you feel is the hottest cable show now? The best thing I can think of is the NBA playoffs on Turner.

Also, excluding the war coverage that was on CNN, I'd say the "MTV Music Video Awards" is a pretty good program, especially in terms of ratings for the size audience that could even see the show.

What type of radio did you listen to as a kid? As a youngster, I listened to hockey and baseball games. And surprisingly, I listened to morning talk shows with my folks as a little kid.

What type of radio do you listen to now? Now I listen to mostly classic rock, like older-type rock formats, more-music formats.

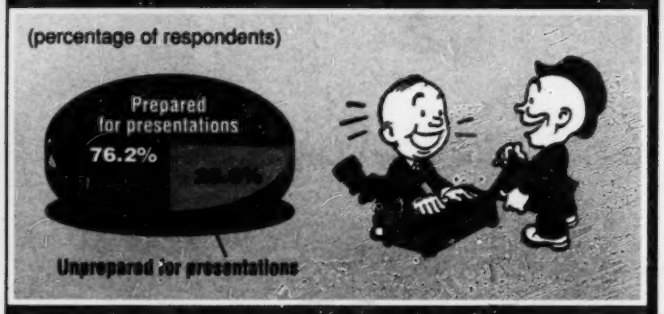
Both the time I listen to radio and the reason for listening have changed. Now it's more of a background medium; when I was younger, I was trying to get something, there was more of a direct purpose.

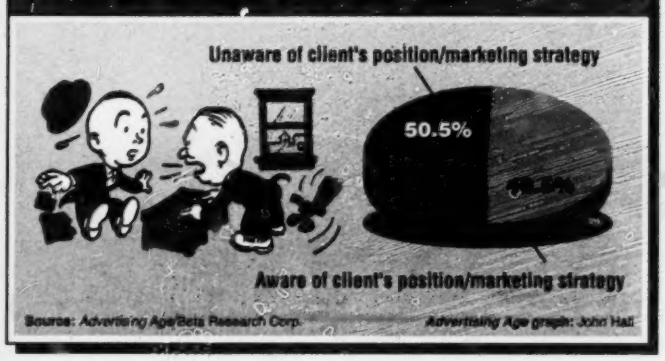
What childhood movie influenced your life? "Jaws." I still keep a light on in the house. That was so dramatic.

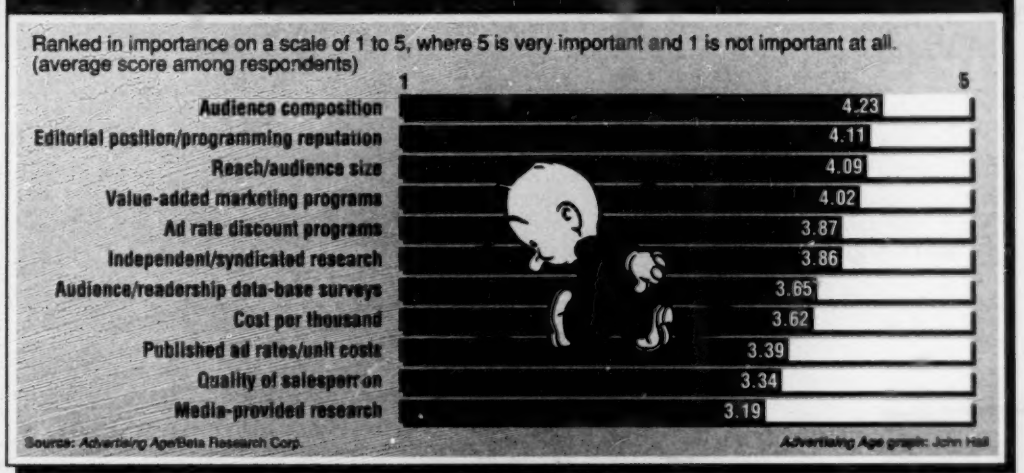
What's the last good movie you saw? "Dances With Wolves." I liked the overall cinematography of the film; certainly [Kevin Costner] had the ability to do what he wanted with film; he didn't have to crunch it into two hours. It was well-produced.

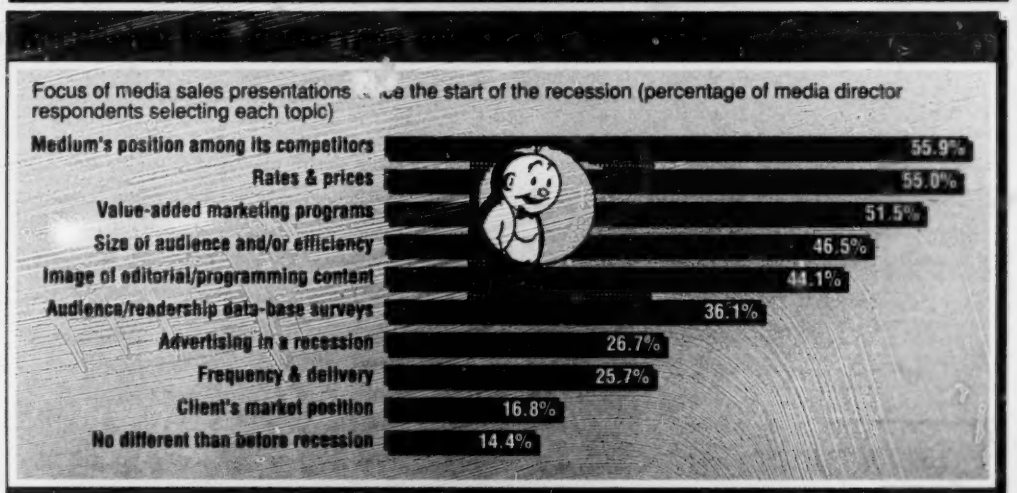
What actor would you want to play in your life story? Bill Murray. He could pull it off the best because he doesn't take himself too seriously.

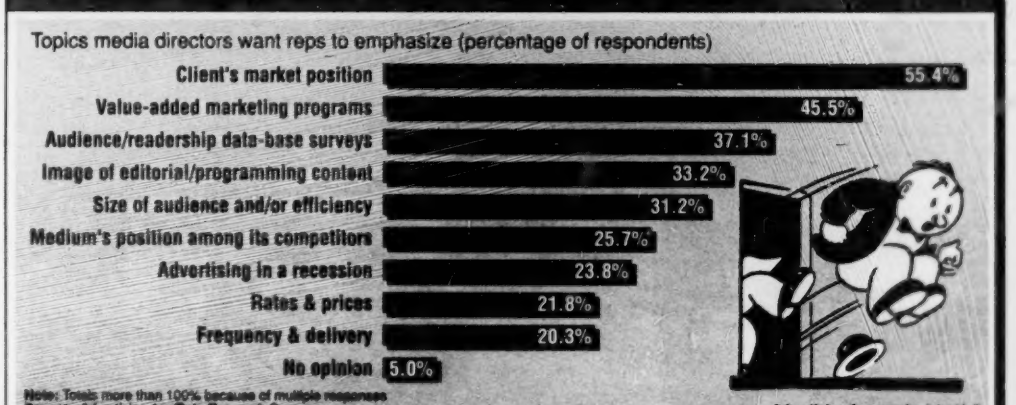
—Melanie Rigney




Unaware of client's position/marketing strategy
50.5%
Aware of client's position/marketing strategy
Source: Advertising Age/Beta Research Corp.
Advertising Age graph: John Hall


Ranked in importance on a scale of 1 to 5, where 5 is very important and 1 is not important at all.
(average score among respondents)
1
5
Audience composition 4.23
Editorial position/programming reputation 4.11
Reach/audience size 4.09
Value-added marketing programs 4.02
Ad rate discount programs 3.87
Independent/syndicated research 3.86
Audience/readership data-base surveys 3.65
Cost per thousand 3.62
Published ad rates/unit costs 3.39
Quality of salesperson 3.34
Media-provided research 3.19
Source: Advertising Age/Beta Research Corp.
Advertising Age graphic: John Hall


Focus of media sales presentations ... the start of the recession (percentage of media director respondents selecting each topic)
Medium's position among its competitors 55.9%
Rates & prices 55.0%
Value-added marketing programs 51.5%
Size of audience and/or efficiency 46.5%
Image of editorial/programming content 44.1%
Audience/readership data-base surveys 36.1%
Advertising in a recession 26.7%
Frequency & delivery 25.7%
Client's market position 16.8%
No different than before recession 14.4%


Topics media directors want reps to emphasize (percentage of respondents)
Client's market position 55.4%
Value-added marketing programs 45.5%
Audience/readership data-base surveys 37.1%
Image of editorial/programming content 33.2%
Size of audience and/or efficiency 31.2%
Medium's position among its competitors 25.7%
Advertising in a recession 23.8%
Rates & prices 21.8%
Frequency & delivery 20.3%
No opinion 5.0%
Note: Totals more than 100% because of multiple responses
Source: Advertising Age/Beta Research Corp.
Advertising Age graph: John Hall

Commodity

(Continued from Page S-2)
agency's clients and their needs without "canned," blandly generic presentations.

"I would like the ideal rep to do his homework or her homework before bolting into the meeting room with 65 boards and 32 slides," Mr. Kushins says.

He'd like presentations that are "more brief, focused and relevant to my clients' business. I don't want to have to tell people who my clients are. There's no excuse for that. I want them to be my business partner, bring me ideas and bring me concepts."

Buyers also don't want to see media reps who are desperate for an order.

"The sign of the most professional reps or good reps are the ones who keep our clients at the top of their minds and may forgo the immediate sale for what's better for the client," says Mickey Marks, associate media director at Jordan, McGrath, Case & Taylor, New York.

"The people I end up talking with are more able to talk about multidimensional deals" involving several properties of the media company, or about a long-range program that won't necessarily lead to a quick "buy" order, he says.

Sellers also should more often court media planners who help set strategy, not just buyers who place orders, agency executives say. That way, sellers will feel a part of the marketing process and can often suggest innovative programs before it's too late.

But some agency executives believe they must accept at least part of the blame for media sellers' emphasis on price.

"One of the main reasons reps aren't any better is that agencies aren't very good," Mr. White says. "Agencies will ask magazine people: 'I need merchandising; I need value-added,' . . . without a clue of what they want to be negotiating for.

"We have to be a lot smarter strategically, [because] clients don't understand media very well. They can understand 4% less [on prices], but to know the value of an end-aisle display, it's a whole lot harder to quantify." □

Doer's profile

Name: Amy Shaw

Title, agency: media buyer, Grey Advertising, Los Angeles

Years in current post: 1

Years in media department: 3

When did you first start reading the newspaper? About 8 or 9. I was an only child, and I read with my parents at the table. I began seriously reading in high school.

What newspapers do you read for world events, news? *Los Angeles Times*, occasionally *USA Today*.

What was your first magazine subscription? *Teen*, because all my friends were reading it. I succumbed to peer pressure.

What magazines do you read for pleasure now? *Victoria*. I like it because it's relaxing. *Good Housekeeping* because it's so real to life; *Glamour* because I get to see the clothes that I can't wear.

What were your favorite TV shows as a kid? "Happy Days" and "The Brady Bunch." I liked them because of the family orientation.

What cancellation of a broadcast TV show saddened you? "M*A*S*H" and "thirtysomething."

What are your favorite TV shows now? "Cheers," reruns of "I Love Lucy" and "M*A*S*H." "Murphy Brown" and "Designing Women." I like sitcoms.

I don't like things where I have to think, because I have to think too much on the job.

What show or channel captured your fancy when you first got cable? American Movie Classics. I like watching old movies.

What do you feel is the hottest cable show now? I really couldn't tell you. I don't watch a lot of cable.

What type of radio did you listen to as a kid? Contemporary hit radio. I just liked the personalities. I grew up in Houston and they had a great morning zoo.

What type of radio do you listen to now? Adult contemporary and Christian talk radio.

What childhood movie influenced your life? "Mary Poppins." I just thought Mary Poppins was a perfectly practical person—that was what she called herself.

What's the last good movie you saw? "The Hunt for Red October." I liked the action.

What actress would you want to play your life story? Vivien Leigh, just because she's sassy and spirited. I think I could use that in my life, but deep down she has a good heart.

—*Julie Johnson*

'Multi-mania'

(Continued from Page S-21)
stop argument will be disappointed. Only 9.7% of the respondents who say they are interested in multimedia buys cite "one-stop buying/ordering" as the reason.

Cited most often—by 50% of the respondents—is the ability to reach the target audience. About one-third cite cost advantages.

Perhaps even more than agencies, media companies also must shed their profit center outlook, agency executives say.

For example, individual publishers, out to protect their own budgets, might not want to participate in a multimedia deal.

The solution is to put a high-level executive in charge of the packages, "someone who has the authority to *insist* the individual companies participate in the overall deal," Mr. Drexler says.

That's what happened in the Chrysler/Time Warner deal, he says, when he dealt directly with Donald Elliman, an exec VP of Time Warner's magazine operations who had the power to combine assets.

When more than one brand is involved, the same problems of self-interest can crop up at clients. Agency executives cite, for example, brand managers only interested in their own brands.

"What they are not interested in, many times, is the grand scheme of the company, or large corporate savings that can be effected by doing one of these deals," Mr. Wray says.

These obstacles could prove significant enough to dash existing high hopes for multimedia deals.

"I think in everybody's dreams we'd love [the multimedia deal] to be" the wave of the future, says McCann-Erickson's Mr. Link. "The reality of thinking it through and making it really work is something else."

Bozell's Mr. Drexler says he is unfazed by the skepticism.

"I don't pay any attention to the naysayers," he says. "When they figure out how to do multimedia deals right, they'll be converts, I assure you." □

NOTE

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INSIDE

Reader's Digest

Revolution: 'RD' opens Soviet page. **Page 3.**

Chris Collins/The Stock Market

BusinessTrack: Fax poll asks how safe is your job; reveals industry's hardest workers. **Page 13.**

LAST MINUTE NEWS

Max Factor to Lotas Minard

CINCINNATI—Procter & Gamble will assign the $15 million U.S. creative portion of the Max Factor account to Lotas Minard Patton McIver, New York, sources close to the company said. P&G is finalizing its $1.1 billion acquisition of the Factor and Betrix cosmetics and fragrance lines from Revlon. Although P&G wouldn't comment, principals from Lotas Minard were said to be at Max Factor's Los Angeles offices last week conducting focus groups. The agency has been on P&G's roster since the company bought Noxell in 1989. The winner of the international portion of Factor hadn't been determined at press time. Also undetermined was the fate of Betrix's brands, predominantly sold overseas. Sources said local conflicts at P&G's big agencies may be making the international assignment more complicated. Tarlow Advertising, New York, was Factor's agency of record, while Betrix has been handled by a variety of agencies.

Canadian ad ban overturned

MONTREAL—Canada's ban on tobacco advertising has been declared unconstitutional. The Superior Court in a July 26 ruling called the ban a violation of free speech and an intrusion into affairs of local government. RJR MacDonald, the Canadian division of R.J. Reynolds International, and Imperial Tobacco had challenged the law. In 1988, the year before the ban took effect, tobacco ad spending was $80 million. Although details and implications weren't clear at press time, an RJR International

(Continued on Page 8)

Bell ruling rings alarm

ANPA gets ready to fight against new phone services

By Christy Fisher

A decision by U.S. District Judge Harold Greene last week allowing regional telephone companies to offer information services—such as news by phone—that would compete with newspapers is triggering a huge battle.

The American Newspaper Publishers Association, which has long feared the phone companies, said it would fight the ruling.

Newspapers will be "devastatingly affected should the regional Bell operating companies enter the same marketplace," said Terry Maguire, senior VP-general counsel of the ANPA.

Judge Greene's order, which remains under a court-ordered stay pending appeals, said an appeals court decision last

Newspapers will be "devastatingly affected should the regional Bell operating companies enter the same marketplace."

year forced him to lift the ban. Judge Greene oversaw the 1984 breakup of American Telephone & Telegraph Co.

The ANPA's Mr. Maguire said this isn't just an advertising issue.

"It's an information issue," he said. "It affects all the information that travels over the telephone line, which includes all the information carried in newspapers today."

The association "will be primarily looking to the courts and the Congress" to prevent the seven regional Bell operating companies from providing information services over their own phone lines, he said.

It will also look for help from the Federal Communications Commission and state public utility commissions, he said.

The ANPA fears advertisers, whether classified or even retail, might eventually

(Continued on Page 38)

Recession's bleak legacy

Ad biz may never be the same

By Judann Dagnoli

A lingering cloud of recession is leading the advertising industry to a point of no return.

While the U.S. economy is believed to be bouncing back, marketing executives say advertising, always slower to rebound, may never get back to "business as usual" when the recession finally lifts.

One effect will be a continuing scramble for media economies long after the recession ends, sources say.

According to an *Advertising Age* survey of top media, marketing and agency executives, most expect some relief from tight ad budgets by the fourth quarter of this year, but others don't anticipate beefed up spending until mid-1992 and still others don't see a full recovery on the horizon until '93.

Harvard Business School professor John Quelch said he believes ad budgets "will see progressive relief toward the end of the year," but the spending peak of 1988-89 won't return until 1993, at least.

Many experts believe even a full recovery won't mean a return to advertising's boom years.

"I'm leery that [the advertising economy] will ever come back," said Don Schultz, professor of advertising at Northwestern University's Medill School of Journalism. "There have been basic changes occurring in the concept of how to reach people, and mass

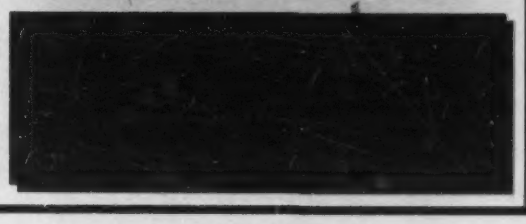
(Continued on Page 34)

"There have been basic changes occurring in the concept of how to reach people, and mass media aren't necessarily it."

Don Schultz
Northwestern University

The boom days of advertising "may be gone forever . . . . There's been a tremendous adjustment that has reshaped the face of advertising."

Maury Kelley
SmithKline Beecham



Media trade groups tottering

By Joe Mandese

The future of some media trade groups is on the line.

Organizations promoting TV, radio, magazine and newspaper advertising are facing falling memberships and hard economic times that threaten at least one group's very existence.

In the latest development, a board meeting is set for July 31 to discuss dismantling the Television Bureau of Advertising, merging with another group or streamlining operations.

The 37-year-old TvB has downsized considerably, reducing its less than $10 million operating budget by $1.6 million in the past 18 months as membership has fallen to an all-time low. Less than 400 of the nearly 1,000 U.S. commercial TV stations are now members; Fox Broadcasting Co. is the last network member.

CBS and NBC dropped out this year; ABC quit several years ago. The Big 3 networks launched their own trade group, the Network Television Association, last year.

"Our clock is ticking," said TvB President Jim Joyella. Any further loss of support "could permanently alter who we are."

TvB has had preliminary merger discussions with the National Association of Broadcasters and the National Association of Television Program Executives.

The newspaper industry also faces downsizing.

The American Newspaper Publishers Association and the Newspaper Advertising Bureau are consolidating administrative functions at the ANPA's headquarters in Reston, Va.

Moreover, the NAB is expected to absorb the International Newspaper Advertising & Marketing Executives, International Circulation Managers Association, International Newspeper Marketing Association, Newspaper Research Council, Association of Newspaper Classified Advertising Managers and Newspaper Advertising Co-op Network.

The new entity would be known as the

(Continued on Page 38)

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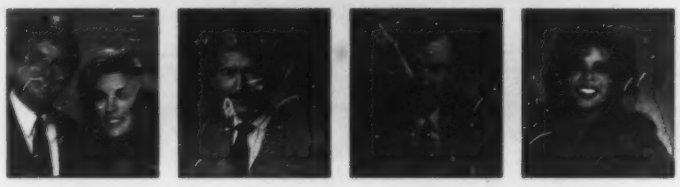

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NEWS SUMMARY

■ **Recession's fallout** may include an advertising industry that will never return to "business as usual," a survey of ad executives indicates. 1

■ **Regional Bell** companies could enter the information services market if a federal court ruling is upheld. 1

■ **Media promotion groups,** facing falling memberships and hard economic times, may be scaled back or merged. ... 1

■ **Time Warner** is selling a cross-media, football-related ad package tied to a *Sports Illustrated* special section and an hourlong season preview show on ABC-TV. 3

■ **'The National'** may be relaunched by a new publisher if current negotiations are successful. 3

■ **Jeans marketers,** including Levi's, Gitano and Wrangler, will break new campaigns soon. 3

■ **Wrangler** will introduce Timber Creek casual wear for men next month to compete with Levi's Dockers. 3

■ **Coors Brewing** has two new products on tap, Coors Dry and Coors Cutter non-alcoholic beer. 3

■ **'Reader's Digest'** is pioneering direct mail and distribution concepts in the Soviet Union as it introduces a Russian-language edition there. 3

■ **Ogilvy & Mather Worldwide** named John Blaney to the new post of executive director of worldwide clients, joining an agency trend involving multinational accounts. 4

■ **Northwest Airlines** hired four agencies to handle various parts of its marketing program. 4

■ **Cadillac** division of General Motors will break advertising next month for its Seville and Eldorado models, which have been redesigned to attract import buyers. 4

■ **Political advertising** pros and cons will be discussed in "truce talks" today between John O'Toole, president of the Four A's, and Bob Nelson, a board member of the American Association of Political Consultants. 8

■ **Weight Watchers** weight-loss centers' $30 million ad account was assigned to Earle Palmer Brown Cos. 10

■ **Nintendo of America** fired Foote, Cone & Belding and will select a new agency next month for the $20 million portion of the account FCB shared with Leo Burnett USA. 10

■ **Caboodles,** a line of plastic storage boxes, will get a $5 million ad introduction from Plano Molding Co. 22

■ **C. Henry Foltz** was promoted to president-chief operating officer from exec VP of Liggett-Stashower. 28

■ **'Dallas'** and Hanna-Barbera cartoons may become regularly scheduled telecasts in the Soviet Union, according to Worldvision Enterprises, which tested the shows there. 32

■ **Air Miles** frequent shopper plan, offering travel-related prizes for a variety of purchases, will make its U.S. debut. . 33

■ **Easy Spirit** will introduce a line of dress and casual shoes for men next month. 33

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Rance Crain	17		

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ABP MPA ABC

WORKING LATE BLUES

Takin' care of business means lots of late hours—with dramatic effect on personal lives

It's 9:00 p.m.

The pile on the desk is no smaller. The picture of your loved ones stares mournfully from beyond the pile.

Welcome to the club, pal.

As a reader of *Advertising Age*, you have distinguished yourself as a member of a particularly hardworking group of people.

According to FaxTrack results, just about everybody in the advertiser, agency and media business works overtime. While it's not surprising those who work overtime are most likely to complain about it, a stunning 217 of 219 respondents say they put in extra hours.

Murray Alcosser/The Image Bank

As one wrote in, "It's 7 p.m. now!"

Two respondents who don't toil overtime work at media companies. Not that media companies are a picnic: 66.1% of responding media company employees say they work overtime four or more days a week.

The hardest working people in the related industries: ad agency employees. Almost 85% say they work overtime four or more days a week, including 30.8% who work at least one weekend day.

No surprise then that 82.7% say working overtime has an adverse impact on their personal lives. As one agency respondent asked, "Excuse me? What personal life?"

The best attitudes about working overtime—or perhaps the worst personal lives—reside with media company employees. Only 48.4% of the 64 media company respondents say working overtime adversely affects personal lives.

Given relative size of paychecks, it's not surprising upper managers across the various industries don't feel put upon by putting in overtime. Only 34.2% of the 73 responding upper managers say they are overworked and 54.8% say overtime hurts their personal lives. Almost 67% of the 93 middle manager respondents say they're overworked, and 73.1% say it's hurting their off-hours lives. And in the sweat shop, 71.7% of the 53 "worker bees" say they're overworked and 88.7% say it's killing their lives out of the office.

What might help matters is some compensation for their efforts. But workers across all industries and job levels say this is scarce.

Asked if they received overtime pay or comp time, one client company middle manager simply wrote in, "Ha-ha-ha."

Worker bees do best in overtime pay: 22.6% say they get it, while only 2.7% of upper managers and 5.4% of middle managers are paid to stay after hours. Upper managers are tops in comp time at 28.8% compared with only 11.8% of middle managers and 13.2% of worker bees. □

FAXTRACK

A monthly reader poll

John Pirman

Fax to:
312-649-5331
Or mail to: FaxTrack
c/o Advertising Age
740 Rush St., Chicago, IL.
60611-2590

Lack of confidence index

❶ How secure is your job?
- ☐ Very secure
- ☐ Pretty safe
- ☐ Kind of scary
- ☐ Downright frightening

❷ If you lost your job, would you seek a new job in the same field?
- ☐ Yes
- ☐ No

❸ How long would it take you to find another job paying the same salary?
- ☐ Less than one month
- ☐ One to three months
- ☐ Three to six months
- ☐ Six months to a year
- ☐ Longer than a year

❹ Has anyone who works in your department been laid off since January?
- ☐ Yes
- ☐ No

❺ Do you think the layoff scare has peaked in your department?
- ☐ Yes
- ☐ No
- ☐ Never was a concern

❻ If future cuts are made in your department, where will they be made?
- ☐ At the top level
- ☐ In the middle ranks
- ☐ At the bottom

❼ Where would you trim if you were told to cut staff?
- ☐ At the top level
- ☐ In the middle ranks
- ☐ At the bottom

❽ Is your supervisor's job expendable?
- ☐ Yes
- ☐ No

I work at:
- ☐ An agency
- ☐ A client company
- ☐ A media company
- ☐ Other

I am:
- ☐ Upper management
- ☐ Middle management
- ☐ Worker bee

Chris Collins/The Stock Market

Please photocopy your responses on standard-size paper and fax to us.

BALANCING ACT

Coordinated strategy, commitment critical to wooing minority staffers

By Wendy Hickey

Minority marketing executives are an increasingly hot commodity as companies target minority consumers or aim to boost racial diversity.

"There is a tremendous need for minorities in our marketing departments—in all fields—and an extremely tight supply," says Eleanor Raynolds, a partner at Ward Howell International, an executive search company.

A recent American Society of Newspaper Editors conference focused in part on the need for that segment of the industry to attract qualified minority employees. Although the number of minority journalists has more than doubled in the last 10 years, minorities make up only 8.7% of newspaper work forces while minorities account for almost 20% of the U.S. population.

One reason for the disparity is qualified minority talent often is difficult to find.

"Even with the glut of MBAs, all companies are competing for the top percentage, and you've got to court those people," says Herbert Allen, manager of human resources and college relations for Quaker Oats Co.

"With minorities, you've got to court them even more. You have to support their groups on campus. If you're not there, or if you're just a showcase, they are abundantly aware."

With such competition, attracting the best minority talent requires a coordinated strategy and commitment to a corporate minority policy, several recruiters say.

William Shackelford, president and founder of Industry Education Connection, a minority recruitment and retention consultancy, advises companies to develop a clear statement of goals that specifies a realistic number of minorities to recruit within a fixed time span.

Companies should then designate one individual to coordinate all efforts, he says.

"To have a single-minded message, no overlap and a single image on campus, you have to be coordinated internally," says Mr. Shackelford, whose client list includes Procter & Gamble Co. and IBM Corp.

To locate candidates, Mr. Shackelford recommends recruiters comb the nation's top business schools, seeking out programs with good track records in graduating and placing minorities, such as the Wharton School of Business at the University of Pennsylvania.

Making contacts with leaders of national minority organizations also should be a part of a recruitment plan, he says. Consortium for Graduate Study in Management, a fellowship program designed to hasten the entry of minorities into managerial business positions, is one organization replete with minority marketing talent, says Linda Cooper, director of minority affairs at Hallmark Cards.

Finding senior minority marketers takes even more work.

Mr. Shackelford suggests companies supplement the on-campus search for recruits with a visit to alumni offices and college minority directors. An increasing number of college alumni departments have adopted the role of job-placement companies.

"Once you get away from the institution you graduated from, there are precious little places you can go" to find help in a job search, says Ron Anderson, director of minority affairs at the University of Chicago. The university created an alumni career-management program in July 1989, and Mr. Anderson keeps a data base on minority alumni and gives corporate referrals.

Executive search agencies are a possible but costly route, Mr. Shackelford says. Such companies also often don't conduct searches based on race, Ms. Raynolds adds.

Good alternatives are professional organizations, such as the National Business League, which is composed of minority businesses, and professional associations. The league offers members the services of its corporate advisory council, which helps match human-resource managers with minority candidates.

Once a company locates the right candidates, they must be wooed by minorities in senior management roles, Mr. Allen says.

"If minority candidates see minority people in decision-making positions, they will see your company . . . is truly interested in them and what they bring to the table," he says. □

DataTrack

CYNTHIA WATSON

Foltz rises in Cleveland

AGENCY

CLEVELAND—C. Henry Foltz has been named to the vacant post of president-chief operating officer at Liggett-Stashower.

Mr. Foltz previously was an exec VP-group account director. He joined the agency in 1972.

Also, Exec VPs Thomas Case and Edmund Kagy have been promoted to the new title of vice chairman. Mr. Case continues as chief creative director; Mr. Kagy remains director of graphic services.

Other people moving:

■ **Toni Lee** to VP-director of public relations, Grey Advertising, New York, from VP-account manager, Howard J. Rubenstein Associates. She succeeds **Dorothy Marcus**, who took a similar post at J. Walter Thompson USA earlier this year.

J. Bomarito

J. Putman

■ **Priscila Aviles-Hayes**, 32, to associate creative director, a new post at Sosa, Bromley, Aguilar & Associates, San Antonio, Texas, from national Hispanic broadcast production manager, J.C. Penney Co., Dallas. Also to associate creative director: **Ruben Cubillos**, 35, from senior art director, and **Joseph Guerra**, 32 from art director.

■ **John Bomarito** to senior account exec, a new post at Intergroup Marketing & Promotions, a subsidiary of D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich., from the same title at McCann-Erickson Worldwide, Troy, Mich. Also: **Janice Putman**, 29, to associate creative director-Cadillac, a new post, from senior copywriter. □

Hufford heads Hachette unit

MEDIA

NEW YORK—Hachette Magazines consolidated publishing responsibilities for *Car & Driver* and *Road & Track*, naming Donald M. Hufford VP-group publisher of the new Hachette Automotive Group.

Mr. Hufford since 1985 has been VP-publisher of Ann Arbor, Mich.-based *Car & Driver*, a title he will retain. He will also add the title of publisher of *Road & Track*, succeeding Richard Bartkus, who retired in May.

Donald K. Reis, who had served as acting publisher of *Road & Track*, remains VP-advertising director.

Mr. Hufford joined *Car & Driver* in 1974 as ad director.

The consolidation of the titles' publishing functions follows similar moves at Hachette's photography, audio and home magazines. The editorial staffs will remain separate.

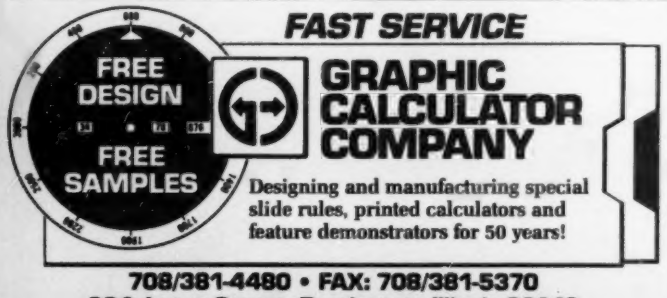
Other people moving:

■ **Licia Hahn** to marketing director, a new post at *European Travel & Life*, New York, from promotion director.

■ **Janet Davy**, 33, to associate Mideastern manager, a new post at *Better Homes & Gardens*, Detroit, from sales representative.

■ **Laura Hagan** to Eastern general sales manager-New York, a new position at CBS Hispanic Radio Network, from New York sales manager for Katz Hispanic Radio.

■ **John Kilcullen**, 32, to president-ceo, IDG Books Worldwide, San Mateo, Calif., from VP-publisher. He succeeds **Jonathan Sacks**, who remains president-ceo, InfoWorld Publishing, Menlo Park. □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ADVERTISER

AmEx names Golub president

NEW YORK—Harvey Golub, 52, has been named to the new post of American Express Co. president.

He becomes part of a new two-person office of the chairman that also includes James D. Robinson III, 55, chairman-ceo. Mr. Golub, formerly vice chairman at AmEx, remains chairman of AmEx's Minneapolis-based IDS Financial Services unit but hands the ceo title to Jeffrey E. Stiefler, IDS president.

Other people moving:

■ **Christine Moossmann** to manager of advertising, a new post at Olympus Corp., Woodbury, N.Y., from advertising administrator.

■ **Aagje M.T. Nourse**, 48, to exec VP, a new post at Bombay Co., a home furnishings retailer based in Fort Worth, Texas, from VP-marketing. Also: **Michael L. Glazer**, 43, to VP of Bombay, while remaining president of the corporation's largest division, Bombay Co. □

OBITUARY

■ Robert Sansone, 49, former president of Mattel USA, died July 15 of cancer of the lymph nodes at his home in Marina del Rey, Calif. Mr. Sansone joined Mattel in 1987 and helped direct its turnaround before stepping down last October. He then took a part-time post so he could pursue avocations such as painting and rock climbing.

Mr. Sansone worked for General Foods Corp. from 1963 to 1987 in various international and general management posts. He was group VP-customer support services when he left in 1987. □ –

Magazine ad page leaders

Publishers Information Bureau figures for the first half of 1991 show the deepest and longest slump in 20 years (AA, July 22). Listed here are the January through June figures for the top 100 titles tracked by PIB.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Bride's	1,694.61	(4.3)	31,801,752	1.0
2	Business Week	1,550.21	(24.1)	93,226,026	(18.5)
3	Forbes	1,449.18	(19.7)	64,906,939	(16.9)
4	Modern Bride	1,419.60	5.0	22,666,912	1.6
5	People	1,419.38	(16.4)	147,952,510	(7.6)
6	Vogue	1,194.77	(11.8)	48,537,336	(3.3)
7	Fortune	1,183.94	(23.5)	62,466,860	(15.2)
8	TV Guide	1,172.37	(18.6)	138,244,099	(11.0)
9	The Economist	1,138.47	(15.3)	10,777,301	(7.5)
10	Sports Illustrated	1,022.67	(17.7)	140,135,828	(10.2)
11	Cosmopolitan	1,012.09	(7.7)	64,604,150	(1.2)
12	Entrepreneur	1,009.82	0.4	10,994,014	14.3
13	New York Magazine	992.55	(18.6)	17,025,482	(13.6)
14	Time	984.25	(21.2)	148,497,101	(13.4)
15	Golf World	894.13	(3.6)	7,927,633	7.2
16	Newsweek	875.83	(18.2)	101,827,770	(14.4)
17	U.S. News & World Report	834.04	(6.4)	71,606,530	0.1
18	Glamour	827.05	(9.8)	44,719,180	(3.2)
19	The New Yorker	792.74	(24.0)	22,109,724	(17.2)
20	Elle	791.28	(22.5)	26,370,718	(12.5)
21	Good Housekeeping	776.50	(6.5)	80,616,693	3.4
22	Sunset	761.71	(1.8)	22,797,233	(5.3)
23	Rolling Stone	760.20	(17.7)	30,476,367	(8.6)
24	Skin Diver	744.75	2.5	7,591,836	10.7
25	Ladies' Home Journal	742.99	(2.6)	57,267,299	5.9
26	Family Circle	741.82	(11.9)	64,111,855	(7.0)
27	American Way	716.39	(18.5)	10,727,851	(8.8)
28	Muscle & Fitness	716.20	13.0	13,104,723	20.8
29	GQ	705.84	(19.9)	19,403,711	(10.9)
30	Yachting	703.66	(17.6)	4,668,171	(12.3)
31	Travel & Leisure	693.19	(3.7)	29,111,873	(1.4)
32	Parents	670.28	(7.0)	30,023,939	2.3
33	Golf Digest	669.76	(10.1)	39,015,115	3.6
34	Texas Monthly	660.62	(2.0)	7,593,677	(0.9)
35	Mademoiselle	639.65	(14.7)	22,210,589	(9.5)
36	Better Homes & Gardens	636.80	(0.9)	78,250,925	9.7
37	Car & Driver	633.30	2.3	25,692,312	9.0
38	Popular Photography	628.81	5.1	14,717,033	2.5
39	Golf Magazine	627.59	(9.4)	23,208,307	5.1
40	Architectural Digest	615.30	(29.9)	17,183,091	(26.4)
41	Southern Living	600.29	(12.0)	32,014,588	(5.6)
42	Woman's Day	584.92	(22.0)	45,064,404	(16.2)
43	Vanity Fair	584.21	(9.4)	20,897,851	(8.0)
44	Money	582.64	(7.6)	39,895,499	3.1
45	Bicycling	569.58	(8.5)	8,645,423	(0.8)
46	Gourmet	568.51	(10.1)	17,043,496	0.2
47	Redbook	534.52	(6.6)	35,490,963	0.3
48	Salt Water Sportsman	533.46	(19.0)	3,904,853	(9.1)
49	Road & Track	529.77	(1.9)	15,947,884	0.0
50	Black Enterprise	520.79	1.4	7,704,557	12.6
51	Harper's Bazaar	520.73	(19.6)	15,227,486	(12.4)
52	Jet	503.00	(1.3)	8,888,830	3.6
53	W Magazine	488.85	(23.6)	11,996,642	(18.6)
54	McCall's	488.33	0.1	39,043,309	10.7
55	Ebony	483.44	(13.3)	18,615,539	(5.0)
56	Town & Country	475.11	(36.8)	13,191,865	(27.2)
57	Seventeen	474.64	(23.9)	16,740,870	(11.2)
58	Country Living	471.82	(14.6)	21,388,110	(3.9)
59	Self	465.72	(27.7)	19,237,073	(21.8)
60	Four Wheeler	462.63	(3.1)	4,251,456	13.2
61	Conde Nast Traveler	459.89	(14.4)	13,730,453	(8.9)
62	Reader's Digest	457.44	(18.5)	49,938,538	(14.7)
63	Mirabella	452.60	(11.5)	9,384,487	17.6
64	Motor Trend	447.82	2.9	16,937,997	6.4
65	Bon Appetit	447.64	(13.1)	14,382,821	(7.0)
66	Inc.	446.22	(14.2)	20,349,401	(3.7)
67	HG	445.32	(16.3)	11,994,074	(6.8)
68	Outside Magazine	432.48	9.3	8,634,926	20.5
69	Smithsonian	425.71	(12.6)	9,010,522	(6.2)
70	Compute	424.69	NA	3,771,542	NA
71	Parenting	416.58	9.8	9,907,063	48.3
72	Working Woman	415.04	(12.2)	13,749,028	(5.4)
73	Metropolitan Home	410.59	(29.7)	14,901,853	(19.4)
74	Entertainment Weekly	408.60	6.4	9,695,413	21.9
75	San Francisco Focus	408.07	(28.8)	2,845,449	(25.6)
76	Bassmaster	402.19	(8.6)	8,358,625	(4.2)
77	Field & Stream	395.18	(8.2)	18,526,526	7.8
78	Esquire	394.43	(34.3)	12,975,867	(30.6)
79	Hot Rod	393.58	(5.6)	9,777,994	(0.7)
80	Automobile Magazine	392.01	3.2	10,297,462	47.6
81	Outdoor Life	391.13	(3.1)	13,071,900	9.5
82	Delta Sky	387.69	(11.6)	11,112,025	3.2
83	Sports Afield	387.47	0.9	8,000,280	8.2
84	Playboy	373.08	6.7	24,326,350	3.6
85	New Woman	371.11	(18.2)	10,375,012	(6.6)
86	Essence	368.70	(18.4)	10,331,258	(8.8)
87	Popular Science	367.92	(7.8)	11,195,969	2.5
88	Popular Mechanics	362.89	(10.1)	12,996,606	0.4
89	Penthouse	353.90	13.1	14,572,996	12.2
90	Tennis	352.91	(3.9)	12,317,964	4.5
91	House Beautiful	349.71	(6.1)	14,697,646	9.5
92	Financial World	343.88	(35.9)	8,183,672	(34.6)
93	Art & Antiques	343.47	(27.8)	2,566,684	(6.3)
94	Yankee	343.09	(9.1)	4,664,293	3.8
95	Omni	337.90	9.3	9,205,605	(6.4)
96	Working Mother	337.84	(6.8)	8,316,933	0.5
97	Premiere	334.85	(12.6)	6,755,824	(0.1)
98	Shape Magazine	328.67	0.0	5,762,396	(9.8)
99	Atlantic	301.95	(7.2)	5,490,429	4.8
100	National Journal	300.33	(15.4)	2,081,449	(13.5)

Percent change compares January-June in 1991 with 1990. Source: Publishers Information Bureau

CONSUMER MAGAZINE AD LINAGE

	June 1991	June 1990	Year-to-date 1991	Year-to-date 1990
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	142.0	154.6	766.9	893.1
Automobile Magazine C.	69.1	74.9	392.0	379.8
Car & Driver C.	116.8	132.9	633.3	619.3
Car Collector & Car Classics	26.0	19.0	126.0	130.0
Car Craft	81.1	87.6	357.7	421.1
Circle Track	93.9	77.3	513.6	522.3
Cycle	42.9	60.0	245.2	267.4
Cycle World	54.8	68.4	280.6	301.7
Dirt Rider	51.7	55.6	251.2	251.8
Dune Buggies & Hot VWs	69.2	75.5	401.9	415.2
Easyriders	41.9	31.2	234.5	159.9
Family Motor Coaching	154.8	185.3	975.8	1,004.1
Four Wheeler C.	76.7	97.9	462.6	477.2
Hot Rod C.	91.6	80.6	393.6	416.8
Motorcyclist	60.9	65.7	295.3	273.6
Motor Trend C.	97.1	95.1	447.8	435.2
Motorhome	87.8	98.3	492.7	576.6
Petersen's 4 Wheel	89.0	110.9	416.2	482.3
Rider	46.0	48.4	193.5	221.6
Road & Track C.	94.5	104.5	529.8	539.7
Trailer Life	85.6	95.5	490.6	546.8
Total Group	**1,575.4**	**1,819.1**	**8,900.7**	**9,335.3**
% change	**-7.9%**		**-4.7%**	
■ Boating & yachting				
Boating	87.5	110.3	606.1	847.6
Chesapeake Bay	31.3	48.3	179.7	269.4
Cruising World	92.7	89.3	628.3	672.7
Lakeland Boating (11X)	63.5	83.5	406.5	520.5
Motor Boating & Sailing	93.4	125.5	623.9	816.6
Sail	97.7	81.1	619.7	695.0
Sailing World	49.8	50.2	302.7	325.8
Trailer Boats (11X)	43.7	58.3	322.7	497.2
Yachting C.	122.8	143.6	703.7	854.4
Total Group	**682.4**	**790.0**	**4,393.3**	**5,499.2**
% change	**-13.6%**		**-20.1%**	
■ Civic/fraternal				
Elk (10X)	17.3	13.0	95.4	93.3
Kiwanis	19.2	14.9	102.1	101.5
Lion (10X)	7.0	4.3	46.0	24.2
Rotarian	12.8	16.7	99.8	97.8
V.F.W. (11X)	24.9	30.5	169.7	164.8
Total Group	**81.2**	**79.4**	**513.0**	**481.6**
% change	**2.2%**		**6.5%**	
■ General				
American Health (10X) C.	30.8	26.3	155.5	269.8
American Heritage (8X) C.	—	—	177.3	162.5
American Legion	30.6	25.6	202.9	167.2
Art & Antiques (10X) C.	50.1	94.9	340.5	476.2
ARTnews (10X)	87.2	116.5	533.5	721.2
The Atlantic A. C.	47.4	56.7	302.0	325.4
Bon Appetit A. C.	56.4	61.3	447.6	515.2
Buena Salud	21.0	—	148.4	73.6
Cable Guide C.	18.4	20.0	147.2	165.9
Caribbean Travel & Life (6X)	—	—	185.1	119.7
Changing Times C.	47.2	58.9	287.5	336.2
Conde Nast Traveler C.	57.8	79.1	459.9	537.1
Connoisseur C.	31.0	55.2	276.0	365.7
Consumers Digest (6X) C.	—	—	68.2	82.2
Cooking Light C.	—	—	181.2	184.4
Country America (10X) C.	34.1	22.1	210.9	142.8
Departures N. America (6X)	35.5	42.7	172.4	129.8
Ebony C.	71.0	80.2	483.4	557.6
Endless Vacation (8X) C.	—	—	102.0	162.3
European Travel & Life (10X) C.	30.6	53.4	240.7	274.2
Food & Wine C.	49.8	54.1	269.9	349.5
Golden Years (6X)	—	—	88.7	108.2
Gourmet C.	99.0	104.7	568.5	632.2
Harper's Magazine A. C.	30.2	31.8	187.4	183.3
Islands (6X)	—	—	227.9	186.5
Let's Live	48.0	41.0	266.0	291.0
Life C.	24.4	55.9	251.6	352.2
Longevity C.	46.7	40.0	265.3	201.2
Mature Outlook (6X) C.	—	—	125.1	113.1
Modern Maturity (6X) C.	28.7	32.8	97.7	109.7
Money C.	101.0	117.5	582.6	630.3
National Geographic C.	21.4	16.8	139.4	137.9
National Geographic Traveler (6X) C.	—	—	145.3	157.6
Natural History C.	21.3	28.4	194.1	261.9
New Choices C.	32.2	24.4	165.8	177.7
Prevention C.	49.9	52.3	248.0	307.8
Reader's Digest A. C.	86.5	90.9	457.4	561.0
Saturday Evening Post (9X) C.	—	—	135.4	147.0
Smithsonian C.	59.0	74.3	425.7	486.8
Spin C.	38.2	38.9	242.7	248.2
Town & Country C.	93.0	122.9	475.1	751.3
Travel-Holiday C.	35.3	31.3	272.8	242.4
Travel & Leisure C.	128.6	99.2	693.2	719.6
Travelhost	1,145.1	1,345.0	6,578.6	7,605.0
Vanity Fair C.	90.3	105.0	584.2	644.8
Yankee C.	51.7	61.9	343.1	377.5
Total Group	**2,929.3**	**3,361.6**	**19,156.8**	**21,752.4**
% change	**-12.9%**		**-11.9%**	
■ Home				
Architectural Digest A. C.	93.8	138.4	615.3	877.1
Better Homes & Gardens C.	94.2	115.0	636.8	642.6
Colonial Homes (6X) C.	55.6	63.1	152.3	161.4
Columbus Monthly-Homes (4X)	—	—	39.1	57.2
Country Home (6X) C.	74.9	73.3	184.5	187.7
Country Life (6X)	—	—	159.2	154.7
Country Living C.	77.1	98.6	471.8	552.7
Decorating Remodeling (8X) C.	48.3	40.9	192.3	205.1
Family Handyman (10X) C.	34.8	23.9	263.8	208.1
Florida Home & Garden	26.4	39.5	252.8	424.8
Flower & Garden (6X)	—	—	89.3	88.4
Home C.	42.7	45.1	294.2	341.8
Home Mechanix C.	50.6	64.0	236.2	299.5
Homeowner (10X) C.	26.7	17.7	152.7	143.1
Horticulture (10X)	48.7	40.1	291.2	288.0
House Beautiful C.	47.2	59.8	349.7	372.5
HG C.	65.5	79.1	445.3	531.8
Metropolis (10X)	31.7	46.2	272.0	309.6
Metropolitan Home C.	49.5	70.2	410.6	584.3
Midwest Living C.	76.0	86.3	219.9	214.8
1,001 Home Ideas C.	34.6	42.7	267.0	356.6
Organic Gardening (9X) C.	—	—	251.0	230.3
Phoenix Home/Garden	35.2	46.7	289.6	404.7
Practical Homeowner (9X) C.	57.7	45.8	251.3	203.6
San Diego Home/Garden	60.5	66.0	397.8	448.7
Southern Accents (11X) C.	36.2	58.3	230.4	384.9
Southern Living C.	96.7	132.3	600.3	681.9
Sunset Magazine A. C.	137.1	124.0	761.7	775.3
Workbench (6X)	—	—	90.8	63.5
Total Group	**1,401.4**	**1,616.9**	**8,868.7**	**10,194.4**
% change	**-13.3%**		**-13.0%**	
■ In-flight & other passenger				
Aboard Group (6X)	—	—	108.5	122.7
Alaska Airlines	59.9	77.8	325.1	433.7
America West Airlines	67.6	84.5	395.6	466.2
American Way (24X) C.	119.7	158.0	716.4	878.9
Continental Profiles	40.2	51.4	232.8	315.1
Delta Sky C.	58.6	80.9	387.7	438.4
Pan Am Clipper	24.3	50.1	180.5	287.8
Southwest Spirit	60.7	53.6	328.9	314.2
Spirit of Aloha	30.5	34.1	205.7	202.4
Trump's	35.8	63.1	149.4	190.9
TWA Ambassador (10X)	—	39.0	162.8	236.5
United Vis 'A Vis	62.0	72.9	405.0	417.7
US Air Magazine	63.2	54.1	391.4	367.3
Total Group	**622.5**	**829.5**	**3,980.8**	**4,671.8**
% change	**-25.0%**		**-14.6%**	
■ Men's				
Esquire A. C.	62.6	112.4	394.4	600.5
Firehouse Magazine	44.3	48.6	251.9	212.1
Gentlemen's Quarterly A. C.	93.5	116.3	705.8	881.5
M Inc. C.	30.1	46.2	259.7	354.6
Men's Fitness	39.3	25.8	205.7	172.2
Men's Health (6X)	—	—	73.9	52.2
Muscle & Fitness C.	117.7	111.5	716.2	633.8
Penthouse A. C.	60.5	57.1	353.9	312.9
Playboy A. C.	74.1	64.4	373.1	349.7
Total Group	**522.1**	**582.3**	**3,334.6**	**3,569.5**
% change	**-10.3%**		**-6.6%**	
■ Metropolitan				
Aloha (6X)	—	—	105.5	132.8
Annapolitan	32.8	56.7	235.8	406.6
Atlanta	68.3	74.6	419.3	420.4
Baltimore	42.8	44.8	274.8	355.5
Boston	72.6	93.9	444.6	606.1
Chicago	76.5	89.7	446.0	544.7
Chicago's North Shore	78.4	81.4	443.7	538.0
Cincinnati	30.1	31.9	197.6	221.1
Cleveland	38.6	50.8	234.8	269.9
Columbus Monthly	43.3	55.9	255.6	363.3
Connecticut	68.0	81.7	368.2	530.0
D/Magazine	51.1	60.5	287.2	236.7
Detroit Monthly	41.8	60.8	277.9	361.3
Diablo	42.0	58.0	314.0	407.0
Grand Rapids	39.0	41.3	148.2	183.1
Gulf Coast (13X)	30.9	33.1	449.5	289.0
Honolulu	37.4	52.5	258.0	307.2
Houston Metropolitan Magazine	45.0	75.3	380.7	379.8
Inside Chicago (8X)	—	—	54.5	71.0
L.A. Style	87.0	139.0	447.0	657.1
Los Angeles	84.6	146.6	541.7	823.1
Louisiana Life (6X)	—	—	87.0	90.0
Madison	42.0	50.0	204.0	245.0
Memphis	49.8	45.8	289.4	304.6
Mid Atlantic Country	56.2	52.7	319.0	276.3
Milwaukee	87.7	46.5	354.0	348.3
Minneapolis/St. Paul	87.1	97.1	494.7	523.8
Minnesota Monthly Mag.	49.5	59.4	306.4	399.2
New Jersey Monthly	47.3	65.5	269.8	408.2
New York Woman (10X)	33.4	54.5	165.4	228.0
Ohio	63.3	63.8	277.3	330.5
Orlando	80.1	79.3	542.1	560.3
Pacific Northwest	28.5	43.8	177.2	291.1
Palm Beach Life	20.2	31.6	261.5	423.0
Palm Springs Life	55.7	59.0	691.5	763.8
Philadelphia	86.0	106.9	593.5	728.1
Phoenix	23.8	28.1	167.3	218.0
Pittsburgh	88.2	100.3	395.2	416.4
Rhode Island Monthly	29.0	49.0	215.0	311.0
Sacramento Magazine	34.7	69.2	283.7	342.1
St. Louis	87.3	47.0	265.6	271.5
San Diego	105.6	131.8	570.8	770.4
San Francisco Focus C.	71.0	94.2	408.1	573.1
Sarasota (10X)	45.3	48.0	400.2	524.0
South Florida Magazine	43.3	96.7	313.8	556.8
Texas Monthly C.	111.0	105.4	660.6	673.8
The Washingtonian	96.5	118.1	575.7	785.8
Total Group	**2,532.4**	**3,071.8**	**15,873.2**	**19,486.6**
% change	**-17.6%**		**-18.5%**	
■ Music/entertainment				
Audio	86.8	91.2	484.7	513.9
Dance Magazine	43.4	41.7	357.6	359.5
Playbill	43.5	40.2	252.9	277.2
Premiere C.	56.8	79.6	334.9	383.2
Video Magazine	70.0	70.0	402.3	389.5
Total Group	**300.5**	**322.7**	**1,812.2**	**1,923.2**
% change	**-6.9%**		**-5.8%**	
■ Outdoor & sport				
Alaska	36.8	37.8	264.5	251.1
The American Handgunner (6X)	—	—	160.0	172.0
American Hunter	14.8	17.4	88.3	101.2
American Rifleman	19.4	24.5	119.5	132.8
Backpacker (8X) C.	34.3	33.2	157.3	138.6
Bassmaster (10X) A. C.	37.2	47.3	402.2	440.0
Bicycling (9X) C.	108.9	126.4	569.6	622.7
Body Boarding (8X)	34.0	56.4	89.7	127.3
Ducks Unlimited (6X)	—	—	78.8	78.2
Field & Stream C.	67.7	66.8	395.2	430.6
Fishing World (6X)	—	—	98.1	161.8
Flex	83.3	69.5	460.7	393.4
Florida Sportsman	86.3	109.6	697.6	827.2
Golf Digest C.	137.2	144.7	669.8	745.1
Golf Illustrated C.	51.2	68.9	271.8	299.8
Golf Magazine C.	81.6	108.4	627.6	692.7
Guns	36.0	40.0	196.0	239.0
Guns & Ammo	37.0	45.4	214.9	273.6
In-Fisherman (7X)	42.0	33.5	347.5	356.2
Outdoor Life C.	54.6	63.2	391.1	403.7
Outside Magazine C.	71.4	78.0	432.5	395.8
Petersen's Hunting	26.4	38.0	189.1	215.0
Runner's World (12X) C.	42.3	46.5	296.4	210.3
Salt Water Sportsman C.	71.0	81.9	533.5	658.8
Shooting Times	34.2	27.6	168.5	180.1
Sierra (6X)	—	—	128.9	112.5
Ski (8X) A. C.	—	—	287.0	292.8
Skiing (7X) A. C.	—	—	229.6	230.0
Skin Diver C.	144.7	152.5	744.8	726.9
Southern Outdoors (9X)	—	—	209.5	230.1
Southern/Western Links (6X)	—	—	112.8	107.2
Sport Magazine C.	38.5	41.7	203.5	183.2
Sports Afield C.	62.7	44.0	387.5	383.9
Surfing	44.3	61.0	342.5	409.0
Tennis C.	61.9	76.1	352.9	367.3
Volleyball (9X)	39.8	—	93.5	—
Waterski (10X)	65.5	73.1	371.5	392.8
Western Outdoors (9X)	20.6	29.6	140.5	196.2
WindRider (8X)	60.6	69.7	230.9	266.8
World Tennis C.	42.5	35.9	215.8	215.4
Total Group	**1,788.7**	**1,948.4**	**11,971.3**	**12,660.9**
% change	**-8.2%**		**-5.4%**	
■ Photography				
American Photo (6X) C.	—	—	149.2	143.8
Petersen's Photographic	49.1	28.6	204.7	145.1
Popular Photography C.	108.9	102.7	628.8	598.4
Total Group	**158.0**	**131.3**	**982.7**	**887.3**
% change	**20.4%**		**10.8%**	
■ Science/electronic/mech				
Discover C.	22.9	35.1	181.5	215.0
Home Office Computing C.	26.9	42.0	214.1	285.6
Omni C.	55.1	45.5	337.9	309.1
Popular Mechanics C.	63.3	61.8	362.9	403.5
Popular Science C.	74.6	78.2	367.9	398.9
Scientific American C.	36.2	45.5	299.7	235.1
Spectrum C.	40.8	55.5	265.6	317.5
Total Group	**319.8**	**363.5**	**2,029.7**	**2,164.6**
% change	**-12.0%**		**-6.2%**	
■ Woman/fashion/service				
Bride's Magazine (6X) A. C.	443.2	476.0	1,694.6	1,770.9
Child (10X) C.	57.0	44.6	279.6	281.0
Cosmopolitan A. C.	184.5	155.6	1,012.1	1,096.5
Elle C.	84.3	131.9	791.3	1,020.4
Essence C.	57.4	55.7	368.7	451.8
Family Circle (17X) A. C.	134.3	181.2	741.8	841.7
Glamour C.	92.7	166.2	827.1	917.0
Good Housekeeping A. C.	122.1	151.2	776.5	830.6
Harper's Bazaar C.	50.8	65.4	520.7	647.5
Health C.	40.9	33.6	217.5	212.6
Imagen	62.6	84.6	437.7	504.9
Ladies' Home Journal C.	119.5	113.7	743.0	762.7
Lear's C.	28.8	47.5	232.6	323.8
Mademoiselle C.	82.5	118.4	639.7	750.1
McCall's C.	75.7	84.1	488.3	488.1
Military Lifestyle (10X)	52.2	64.1	261.0	337.1
Mirabella C.	53.9	78.2	452.6	511.2
Modern Bride (6X) C.	411.7	326.4	1,419.6	1,351.6
New Woman C.	46.0	68.3	371.1	453.9
Parenting (10X) C.	115.0	91.8	416.6	379.3
Parents Magazine A. C.	97.8	132.9	670.3	720.5
Redbook C.	67.3	108.1	534.5	572.4
Self C.	64.7	79.0	465.7	644.1
Seventeen C.	57.2	76.5	474.6	623.7
Shape C.	54.7	59.8	328.7	328.5
Soap Opera Digest (26X) C.	32.7	25.6	214.5	207.1
Teen Magazine	32.8	28.2	250.4	276.3
True Story A. C.	38.0	52.5	250.3	323.7
Victoria C.	33.8	42.5	251.0	273.0
Vogue C.	107.0	152.7	1,194.8	1,354.7
W Magazine (26X) C.	31.9	43.2	488.9	639.5
Weight Watchers C.	27.5	30.7	195.8	211.7
Woman's Day (15X) A. C.	106.9	112.7	584.9	749.5
Workbasket (6X)	—	—	65.8	39.5
Working Mother C.	59.0	56.8	337.8	362.4
Working Woman C.	59.6	61.8	415.0	472.7
Total Group	**3,185.6**	**3,601.2**	**19,415.0**	**21,731.9**
% change	**-11.5%**		**-10.7%**	
■ Youth				
Boys' Life C.	14.4	12.6	99.1	103.7
Campus Life (10X)	—	—	235.3	204.5
Total Group	**14.4**	**12.6**	**334.4**	**308.2**
% change	**13.9%**		**8.5%**	
■ Business/national				
Barron's	125.3	158.6	744.6	870.8
Black Enterprise C.	210.4	183.4	520.8	513.8
Business Week (52X) A. C.	286.6	490.5	1,550.2	2,041.8
Economist (52X) C.	215.8	243.2	1,138.5	1,344.6
Entrepreneur C.	154.5	160.1	1,009.8	1,005.7
Financial World (26X) C.	83.5	70.9	343.9	536.7
Forbes (26X) C.	201.1	301.3	1,449.2	1,805.0
Fortune (26X) C.	286.2	301.4	1,183.9	1,547.0
Frequent Flyer	35.1	41.5	213.3	240.5
Futures	35.7	43.3	235.9	246.2
Harvard Bus. Rev. (26X) C.	—	—	161.3	182.3
Inc. Magazine C.	107.2	78.6	446.2	520.3
Income Opportunities	63.8	69.5	433.2	439.0
Industry Week (23X) A.	78.4	94.3	434.9	531.8
Nation's Business (12X) A. C.	28.5	29.5	157.6	158.3
Success C.	37.1	32.5	230.5	174.5
Total Group	**1,949.2**	**2,298.4**	**10,253.7**	**12,158.3**
% change	**-15.2%**		**-15.7%**	
■ Business/regional				
Bus. First-Columbus (52X)	77.9	86.6	586.7	512.0
Bus. Jrnl.-Milwaukee (52X)	121.1	130.2	678.7	887.5
Bus. Jrnl.-Sacramento (52X)	76.8	73.2	448.7	507.6
Bus. North Carolina	43.3	56.8	205.0	250.3
Capital Dist. Bus. Review (52X)	109.1	80.1	473.1	4[illegible]
Caribbean Business	117.1	157.9	575.7	723.6
Corporate Rpt. Minnesota	46.3	47.5	279.0	268.1
Crain's Chicago Bus. (52X)	107.9	141.9	633.9	840.5
Crain's Cleveland Bus. (52X)	54.4	67.5	353.6	450.6
Crain's Detroit Bus. (52X)	59.3	85.0	377.4	530.6
Crain's New York Bus. (52X)	56.0	84.0	345.0	411.0
Florida Trend (13X)	35.4	36.0	221.9	289.1
Georgia Trend	41.0	57.3	216.3	266.9
Grand Rapids Bus. Jrnl.	46.4	57.1	316.9	330.1
Hawaii Business	39.2	42.3	271.9	294.7
Houston Bus. Jrnl. (52X)	117.7	78.5	671.3	375.5
Indianapolis Bus. Jrnl. (52X)	126.2	162.2	705.7	856.7
Nashville Business & Lifestyle B.	21.4	—	119.4	—
New England Bus. (12X) A.	23.7	30.3	144.7	197.2
New Orleans City Bus.	68.8	52.5	451.8	297.5
Pacific Bus. News (52X)	107.0	110.2	617.3	611.4
Philadelphia Business Journal (52X)	94.8	96.2	420.0	493.8
Pittsburgh Bus. Times (52X)	54.0	88.9	328.2	570.2
Providence Business News	49.9	57.0	373.7	389.7
Regardie's/Washington (7X)	85.0	105.0	352.0	571.0
St. Louis Bus. Jrnl. (52X)	123.6	97.0	751.4	638.8
Warfield's/Maryland (26X)	58.0	51.7	326.0	361.8
Total Group	**1,939.7**	**2,133.0**	**11,125.7**	**12,342.8**
% change	**-9.1%**		**-6.9%**	
■ National Sunday mags				
Parade (52X) C.	65.8	53.3	371.5	340.0
USA Weekend (52X) C.	64.2	48.7	331.6	321.4
Vista Magazine (12X)	8.8	16.7	88.1	108.7
Total Group	**138.8**	**118.8**	**791.2**	**770.1**
% change	**16.9%**		**2.7%**	
■ Newspaper Sunday magazine				
Boston Globe	107.4	147.4	716.2	1,027.2
Chicago Tribune	92.9	122.2	553.5	744.3
Cleveland Plain Dealer	39.6	47.7	260.5	349.6
The Dallas Morning News	44.5	47.3	285.0	306.4
Detroit Free Press	36.0	54.0	225.0	309.0
L.A. Times C.	89.7	62.0	400.5	491.5
New York Times Mag. C.	193.8	268.7	1,380.1	1,871.6
Philadelphia Inquirer	38.6	103.3	395.7	561.6
Seattle Times	85.0	69.0	398.0	461.0
St. Louis Post Dispatch	102.7	79.3	498.8	456.9
Toledo Blade Magazine	32.4	29.4	194.3	200.9
Washington Post	69.1	97.3	478.3	649.9
Total Group	**931.6**	**1,127.5**	**5,785.9**	**7,429.9**
% change	**-17.4%**		**-22.1%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	180.6	150.3	1,088.4	792.9
Army Times Military Group:				
Air Force Times (52X)	192.5	133.5	848.8	894.4
Army Times (52X)	189.1	138.2	831.7	889.2
Navy Times (52X)	196.2	143.7	884.8	937.7
Capper's (26X)	15.9	23.4	165.0	179.8
Commonweal (22X)	4.0	4.8	46.7	60.0
Entertainment Weekly (52X) C.	92.9	72.9	408.6	383.9
Golf World (41X) C.	133.1	181.8	894.1	927.0
Grit (52X) A.	25.3	29.4	208.0	227.0
Jet (52X) C.	82.0	80.0	503.0	509.7
National Journal (50X) C.	58.0	72.0	300.3	354.8
National Review (25X)	33.3	29.4	209.5	182.0
New Republic (48X)	45.9	38.1	248.5	242.7
New York Mag. (50X) C.	136.9	167.7	992.6	1,218.7
New Yorker C.	151.9	132.2	792.7	1,042.7
Newsweek (52X) A. C.	151.0	168.3	875.8	1,071.1
People (51X) C.	205.4	268.7	1,419.4	1,697.0
Rolling Stone (25X) C.	143.8	157.5	760.2	923.6
Sporting News (52X) C.	26.8	39.6	190.1	255.5
Sports Illustrated (52X) A. C.	175.1	185.1	1,022.7	1,242.8
Time (52X) A. C.	168.5	194.6	984.3	1,248.8
TV Guide (52X) A. C.	134.6	152.6	1,172.4	1,440.2
US Magazine (26X) C.	39.8	55.8	220.6	365.1
U.S. News & World Report (50X) A. C.	142.1	146.9	834.0	891.2
Total Group	**2,724.7**	**2,766.5**	**15,902.2**	**17,977.6**
% change	**-1.5%**		**-11.5%**	

NOTES: Linage is given in paid ad pages. (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and % change. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. *Ad Age* makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

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NEWSPAPER

Advertising Age

August 12, 1991

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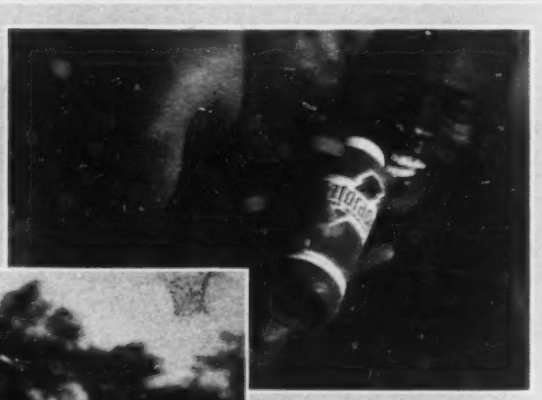
Jordan stars for Gatorade



Quaker Oats Co. last week officially announced that it bagged the biggest name in sports endorsements, Michael Jordan, as worldwide spokesman for Gatorade. TV spots and a print ad featuring the Chicago Bulls star broke late last week. Bayer Bess Vanderwarker, Chicago, handles the ads, which say, "Be like Mike. Drink Gatorade." *(See Bob Garfield's Ad Review on Page 36.)*

P&G launches new-product war

Toothbrush test leads U.S. sales effort

By Jennifer Lawrence

Procter & Gamble Co., anxious to invigorate its U.S. business, is waging its most aggressive new-product assault in recent history.

The marketer is entering the U.S. toothbrush category for the first time and launching new attacks in diapers and detergents.

This fall, the company will test a toothbrush called Crest Complete. The product will enter three Texas markets—Houston, San Antonio and Austin—with TV support from Leo Burnett USA, Chicago.

By entering the $420 million toothbrush category, P&G takes on No. 1 Oral-B from Gillette Co., No. 2 Colgate and No. 3 Reach from Johnson & Johnson, all big advertisers.

prised analysts, but it reflects P&G's commitment to new-product initiatives, which the company said last week were greater than in "any period in recent history."

P&G is banking on the toothbrush's unique rippled bristles designed to get farther between teeth than flat bristles. The patented manufacturing process and bristle design will be the backbone of the product's positioning.

TV commercials for Crest Complete will carry a theme similar to "Teeth aren't flat, so why is your brush?" Advertising is likely to start in September in San Antonio and Houston.

A different 30-second commercial has been airing in Austin with a tag for a 900 phone number for consumers to get a free sample. The product will appear on

(Continued on Page 36)

Turner tunes in to direct mail

By Alison Fahey

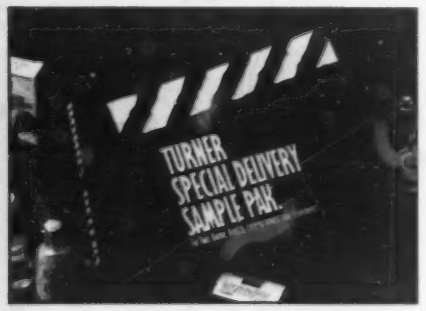
Turner Broadcasting System is muscling in on the promotional direct mail business to distribute product samples, coupons and other offers from marketers to viewers.

"Turner Sample Pack" will be priced to compete with free standing inserts and promoted with Turner's four national cable networks—Cable News Network, Headline News, TBS and Turner Network Television.

Commercials airing on those networks will invite viewers to call a toll-free number to order the free sample pack, which will contain a variety of product samples, coupons, recipe booklets, brochures and videocassettes.

The packs will also contain Turner promotional material like cable viewing guides and promotional offers from the company's home video and pub-

(Continued on Page 32)



TBS' program, now called "Turner Sample Pack," will compete with FSIs.

BK picks Mickey

Disney promotion leaves McDonald's out

By Scott Hume and Cleveland Horton

Burger King Corp. has crowned its strategy of linking with well-known brands by signing a promotional deal with Walt Disney Co., a longtime partner of rival McDonald's Corp.

The alliance starts its first promotion in November. That six-week holiday effort will be tied to the release of Disney's new animated feature "Beauty & the Beast," according to Burger King marketing materials obtained by *Advertising Age*.

McDonald's, which recently ended a children's meal promotion tied to Disney's "101 Dalmatians," has been Disney's primary fast-food partner for the past few years.

But reports circulated earlier this year that McDonald's relationship with Disney was strained by disappointing results from promotions with the studio's "Dick Tracy" and "The Rescuers Down Under." That spurred speculation Disney would shift to Burger King as its partner for "Beauty & the Beast" (AA, Feb. 11).

"It's not good [for McDonald's]. Some kids are going to be going to Burger King."

McDonald's, which traditionally mounted a major promotion quarterly, has soured on blockbusters. It hasn't run a major, national promotion yet this year, having watched last summer's "Tracy" game and the fall's "McMillions" game with NBC-TV produce what analysts say were lower than expected returns.

Instead, McDonald's has concentrated its marketing efforts on price reductions for hamburgers, cheeseburgers and selected other menu items, and the addition of new items such as the low-fat McLean Deluxe.

The Disney deal "is probably more important as a gain for Burger King than as a loss for McDonald's, although Disney has been a mainstay of McDonald's marketing," said Michael Mueller, restaurant analyst with Montgomery Securities.

"McDonald's has done the best job at marketing to kids,

(Continued on Page 32)

LAST MINUTE NEWS

Five agencies cut staff

NEW YORK—A flood of pink slips hit Madison Avenue last week. Hardest hit was N W Ayer, where 50 to 60 of the office's 850 staffers were let go. The layoffs, mainly among support services staff, were the result of lower overall spending, not account losses, the agency said. Also taking hits were Ogilvy & Mather, trimming 17 of 722 staffers here, and Lord, Dentsu & Partners, which let 18 of its 130 staffers here go, partly due to Peugeot's decision to leave the U.S. market *(see related story on Page 36)*. Elsewhere, Rosenfeld, Sirowitz, Humphrey & Strauss laid off 15 of its 24 staffers in Phoenix, Ariz., because of America West's Chapter 11 filing and subsequent budget cuts. In San Francisco, Grey Advertising laid off 15 of 55 staffers following the loss of the $35 million Bank of America business; the agency also said Managing Director Hank McWhinney, 48, resigned and will leave before yearend. He will be replaced by Warren Peterson, 54, exec VP-creative director.

Olde English turns off the 'power'

MILL VALLEY, Calif.—S&P's Pabst Brewing will phase out the slogan "It's the power" in Olde English "800" malt liquor ads. Pabst joins other brewers dropping the word "power" following the U.S. Bureau of Alcohol, Tobacco & Firearms' complaints about G. Heileman Brewing's Colt 45 PowerMaster. Asher/Gould, Los Angeles, handles.

Gap breaks off with Atlas Citron

SAN FRANCISCO—The Gap has severed ties with Atlas Citron Haligman & Bedecarre, creator of a TV campaign the retailer launched in June, and has taken advertising

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INSIDE

Special Report: 'Endangered as mass medium,' newspapers fight back with assortment of tools. **After Page 24**

Ranking the top 100 media companies in the U.S. Page 20

NEWS SUMMARY

■ **Procter & Gamble** is entering the toothbrush category for the first time with Crest Complete. It also plans to roll out Pampers Phases and Luvs Phases diapers. **1**

■ **Burger King Corp.** has signed a promotional deal with Walt Disney Co. to start in November with a holiday effort tied to the release of "Beauty & the Beast." **1**

■ **Turner Broadcasting System** plans to distribute product samples, coupons and other offers from marketers to viewers through its "Turner Sample Pack." **1**

■ **ConAgra** will reportedly introduce an extra-lean ground beef into supermarkets under the Healthy Choice name. **3**

■ **Olympics** sponsors have been slow to combine their sponsorship with ad buys on CBS coverage of the Games. **3**

■ **Hachette Magazines** hired Paul DuCharme from Grey Advertising and Gerald Wroe, a consultant, to develop corporate ad sales and alliances with other media companies. **3**

■ **Roger Ailes'** role in the expected 1992 re-election campaign for President Bush is unclear, though he spearheaded the president's 1988 ad campaign. **3**

■ **Anheuser-Busch** assigned advertising for its troubled Michelob brand to D'Arcy Masius Benton & Bowles. **4**

■ **California State Lottery** is suffering from a sales slump, and expectations are that a replacement for Dailey & Associates will be sought for the $34 million ad account. **4**

■ **ABC-TV** may experience big changes in its executive ranks, with two top people expected to leave soon. **4**

■ **Fiat Group** may consolidate its European Fiat auto account at Leo Burnett Co. and D'Arcy Masius Benton & Bowles. **8**

■ **National Advertising Division** said Gateway Educational Products will revise ads for its "Hooked on Phonics" program following a review by the self-regulatory body. **9**

■ **Vietnam** is being targeted by a growing number of international marketers of goods and services. **12**

■ **Woody Allen** makes his debut as a TV commercials writer and director on behalf of Italy's Coop Italia grocery chain. **12**

■ **Brazilian marketers,** anticipating the government's release of frozen consumer bank accounts this month, have launched a number of new ad campaigns. **12**

■ **Pennsylvania** Legislature passed a 6% sales tax on all magazine newsstand and subscription sales. The Magazine Publishers of America plans a legal challenge. **28**

■ **'Dallas Times Herald'** is offering classified ad users voice mailbox services through GTE Directories Corp. **28**

■ **Nielsen Marketing Research** plans to widen the Nielsen Household Panel from 15,000 households to 40,000. ..... **29**

■ **Gerber Products Co.** starts a new TV campaign this month and plans a Gerber Tropical line of foods and juices. . **31**

■ **Retailers** are more aggressive in promoting back-to-school sales this season in hopes of reviving sales. **32**

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Disney 'Discover'?

Family Media shutters; negotiations continue

By Scott Donaton

NEW YORK—Walt Disney Co. continued negotiations to buy *Discover* last week following the collapse of Family Media, but interest in the group's remaining titles appeared to center on their subscription lists.

The months-long talks between Disney Publishing and Family Media are expected to culminate in a sale as early as this week, a source close to the negotiations said. John Skipper, Disney's Burbank, Calif.-based VP-publishing, flew to New York Aug. 1 to participate in the discussions.

If Disney acquires *Discover*, the company plans to continue publishing the monthly science magazine, believed to be the only profitable title in the Family Media stable.

Debt-laden Family Media closed down operations and dismissed its 209 employees last week after intense, last-ditch attempts to sell its six magazines failed to turn up any buyers (AA, Aug. 5).

But Family Media Chairman Robert Riordan was still trying to sell any or all of the titles last week to help pay down a debt of $60 million to $70 million.

Competing publishers sifted through the wreckage of the failed publishing company last week to determine whether its magazines were salvageable.

Executives at Hachette Magazines, Hearst Corp. and K-III Magazine Corp. indicated those companies had already passed on the Family Media titles.

Charles G. McCurdy, president of K-III Holdings, wouldn't comment directly on the company's interest in the Family Media magazines but indicated a deal was unlikely.

"We want to buy publications that are basically leaders in their niches for both readers and advertisers, and not risk trying to turn around things that are difficult, which is basically a different approach than Bob Riordan had," Mr. McCurdy said.

The Family Media titles would most likely be sold on a circulation liability basis, sources say. In other words, buyers would send Family Media subscribers copies of their own magazines in the hope of converting the subscriptions to their own lists after expiration.

A Time Warner executive said that company is negotiating to acquire the subscription list for Family Media's *Health* and would use it to boost the circulation of its *In Health*.

Times Mirror Magazines passed on the Family Media magazines before the company closed but might take a second look at the list for *Golf Illustrated*, which competed directly with its *Golf Magazine*, an executive there said.

The most salable titles in the Family Media stable, publishing executives say, are *Discover, Golf Illustrated* and *Health*.

Family Media also published *1,001 Home Ideas, HomeOwner* and *World Tennis*, which was to

(Continued on Page 33)

AmEx rethinks strategy

By Gary Levin

American Express Co. is preparing to revamp agency assignments for its Travel Related Services division, and that's likely to lead to a loss of business for Ogilvy & Mather.

O&M is AmEx's lead worldwide agency and now handles the $60 million green card as well as smaller pieces of the travel division.

The card this year is getting about $60 million in ad support, down 24% from 1990, according to *Advertising Age* estimates. The smaller travel division accounts handled by O&M spent at least $30 million in 1990.

AmEx, facing slow growth and diminished market share, is expected to eliminate separate campaigns for most of its major cards and adopt a multicard "umbrella" campaign.

O&M, Chiat/Day/Mojo and Wunderman Worldwide, all New York, are competing for that campaign; their commercials are slated to be tested when they are completed.

Chiat now handles the Gold Card, while Wunderman has the Optima and Corporate cards. Gold Card spent $7 million on measured media in 1990, while Optima and Corporate combined for about $6.7 million in support; however, overall spending by AmEx is down this year.

If O&M wins, the agency is expected to lose some of the other business it now handles, such as the traveler's checks, travel agencies and establishment services business. Those accounts would likely go to the losing agencies to compensate for the loss of specific card accounts.

The traveler's checks account spent $19.3 million on measured media in 1990, LNA/Arbitron Multi-Media Service estimated, while the travel agencies business spent $10 million. The size of the establishment services business couldn't be determined.

"The odds are extremely high there will be a realignment of assignments," one source familiar with the review said.

Even if O&M doesn't win the umbrella campaign, it could keep the company's international

(Continued on Page 33)

AGs target Revlon, Gillette

By Jennifer Lawrence

Revlon and Gillette Co. are the latest targets of a multistate attorneys general task force investigating environmental marketing claims. That task force is now looking at aerosol products.

Stephen Gardner, a Texas assistant attorney general, last week asked Revlon to provide substantiation for the terms "environmentally safe formula" on the label of its Flex High Gloss hair spray and "environmentally safe—contains no fluorocarbons" on its Almay Protein Conditioning hair spray.

Mr. Gardner sent a similar letter to Gillette for any product using the term "ozone friendly, no CFCs" or any other environmental benefit claim.

Both letters requested copies of all broadcast and print ads since January 1987 that make reference to environmental benefits. The companies were told to supply the information no later than Aug. 20.

Gillette last October decided to phase out the use of the term "ozone friendly," said Michelle Szynal, a company spokeswoman.

"We've replaced that with the wording 'contains no CFCs,' and by the end of 1991, 75% of all aerosol products will use that," Ms. Szynal said.

Gillette uses New York agencies BBDO Worldwide and N W Ayer for its aerosol products.

"We are still reading the correspondence," said Dan Moriarty, Revlon senior VP-public relations.

Tarlow Advertising is Revlon's agency.

The other states involved in the investigation are likely to include the additional nine state attorneys general who've been involved in other green probes. The states active on this front, besides Texas, are California, Florida, Massachusetts, Minnesota, Missouri, New York, Tennessee, Washington and Wisconsin.

Just last week, a $50,000 settlement was reached with Alberto-Culver Co., the first cosmetics company to be publicly targeted for aerosol claims by the multistate green task force.

The task force said Alberto-Culver had falsely claimed its hair sprays were "environmentally safe," "ozone friendly" and "will not harm the ozone." The attorneys general contended the hair sprays contain propellants, such as propane and isobutane, that are volatile organic compounds contributing to ground-level ozone. Two of the products, they said, contain a chemical that's known to cause depletion of the upper-atmosphere ozone layer.

Alberto-Culver admitted no wrongdoing in the settlement. Its agencies are BBDO and Lois/GGK, both Chicago. □

Kate Fitzgerald and Pat Sloan contributed to this story.

100 LEADING MEDIA COMPANIES

Cable continues as bright spot; newspapers go limp

R. Craig Endicott

Time Warner couldn't get over the hump in 1990.

After dramatically narrowing Capital Cities/ABC's lead in the race to become the nation's largest media company last year, Time Warner saw the margin widen a bit in what is proving to be the toughest ad market in years.

Cap Cities/ABC expanded its lead to $210.6 million from $192 million a year ago while charting $5.18 billion in total media net revenues to Time Warner's $4.97 billion, according to *Advertising Age's* 11th annual report on the 100 Leading Media Companies.

Net revenue growth at Cap Cities/ABC of 8.6% and Time Warner, 8.5%, were typical of the Top 100. Unlike in past years, few achieved double-digit growth. And those that did generally had large contributions from cable.

Media revenues among the Top 100 advanced 6% to $75 billion in 1990, compared with 8% in 1989, when they reached $70.7 billion.

Newspaper revenues, accounting for one-third of the Top 100's total revenues, dipped disastrously by 0.1% from 1989.

Conversely, cable continued to surge. Cable revenues jumped 18.1% to $15.6 billion, placing cable within striking distance of broadcast TV's $16.2 billion as the second leading revenue generator among the Top 100.

Time Warner, which draws 60.7% of its revenues from cable, certainly has the arsenal to pass Cap Cities in the future if cable continues its unparalleled gains.

Average cable revenue growth for the 34 companies with cable properties was 16.7%. Unlike other media categories, no company's cable revenues declined.

The bottom line is another matter. Few cable companies operate in the black because of heavy expenses related to acquisitions that fueled their growth in the '80s. It is either change or bust in the '90s as debt-service becomes more of an industry burden.

Among the top five companies with cable properties, only Turner Broadcasting showed a decline in operating income, down 12.6%.

The Big 3 networks accounted for just over half the $16.2 billion in TV revenues generated by 43 of the Top 100. The Big 3's combined growth of 3% kept TV's overall growth at 4.2%, an improvement on 1989's 1.8% increase.

For the second consecutive year, media sales declined at General Electric. Revenues at its NBC TV network and owned-and-operated stations fell 5.6%, compared with a 6.8% decline in 1989. Each network suffered a decline in operating profit.

Two broadcast-based companies entered the Top 100 for the first time. Pinelands Inc., No. 85, operates WWOR-TV, the superstation in Secaucus, N.J. It was part of MCA Inc. until MCA was purchased last year by Matsushita Electric Co.

Paramount Communications, No. 52, pulled $145 million in TV revenues from its TVX Broadcasting, a former 100 Leading Media company, and an estimated $211.8 million from Madison Square Garden and USA networks. *Ad Age* credited Paramount with only 50% of the revenues of USA Network, equal to its ownership equity.

Like TV, radio was dominated by three companies: CBS Inc., Cap Cities/ABC and Westinghouse Electric Corp. As a whole, radio revenues grew 20.2% to $1.2 billion among 22 companies, but the top three accounted for just over half those revenues. The remaining 19 companies experienced an aggregate increase of only 6.4%.

Newspaper operations from 47 of the Top 100 companies attracted $24.6 billion in 1990 revenues, down 0.1%. Six of the top 10 newspaper companies recorded revenue declines ranging from 1.2% to 2.9% and two showed less than 0.5% growth.

Operating income results were even more depressing.

For example, among the five largest public newspaper companies, operating income went south at Gannett Co. by 8.1%, Times Mirror Corp., 45%, Knight-Ridder, 6.9%, New York Times Co., 23.3%, and Tribune Co., 44.8%, when including the *New York Daily News*.

The buyer of the *Daily News*, No. 55 Maxwell Communications, was the only new newspaper-driven company to enter the Top 100.

Forty Top 100 companies generated magazine revenues of $13.2 billion, up 6.3%, with most of the growth coming in the first half. By yearend, consumer magazine advertising as monitored by Publisher's Information Bureau logged only a 2.2% gain. Ad revenues have retreated further in the first half of recession-plagued 1991, off 5.4% from the prior-year period.

New to the chart is K-III Holdings, No. 51, with most of its revenues stemming from this June's acquisition of eight consumer magazines from News Corp. Revenues estimated at $225 million from those magazines were excluded from News Corp.'s media total.

Also entering the Top 100 for the first time was American Express Co., No. 84.

Methodology notes

Rankings in this report are based on net revenue estimates for U.S.-based media properties. AA worked closely with the media companies to arrive at the figures. Assisting with estimates were Paul Kagan & Associates and Duncan's Radio Market Guide.

The term "media" in this report includes the traditional media as well as free standing inserts, in-store, news services, shared mail and ad-driven pamphlets. Not included are contract printing, book publishing, book and record clubs, movie production and most data-base operations loosely termed information services. □

Top media companies by category

Rank 1990	Rank 1989	Company	Revenue by media category 1990	Revenue by media category 1989	% chg	Category as % of total media 1990	Category as % of total media 1989	Total media 1990
Newspaper companies								
1	1	Gannett Co.	$2,775.2	$2,852.0	(2.7)	80.6	81.1	$3,441.6
2	2	Times Mirror Co.	2,066.0	2,065.9	0.0	72.4	73.6	2,855.2
3	3	Knight-Ridder	1,992.1	1,994.9	(0.1)	94.6	95.1	2,106.1
4	4	Advance Publications	1,797.0	1,745.0	3.0	59.1	60.6	3,039.6
5	5	New York Times Co.	1,358.3	1,398.5	(2.9)	76.4	79.1	1,776.8
6	6	Tribune Co. [1]	1,196.7	1,208.7	(1.0)	70.3	72.1	1,703.0
7	7	Dow Jones & Co.	983.7	991.7	(0.8)	100.0	100.0	983.7
8	8	E.W. Scripps Co.	784.6	781.2	0.4	64.3	66.1	1,220.0
9	9	Cox Enterprises	744.8	754.0	(1.2)	43.5	45.3	1,710.9
10	11	Hearst Corp.	715.0	700.0	2.1	33.4	33.8	2,137.6
Magazine companies								
1	1	Time Warner	1,947.8	1,855.0	5.0	39.2	40.5	4,964.8
2	2	Hearst Corp.	1,022.0	992.5	3.0	47.8	47.9	2,137.6
3	3	Advance Publications	845.0	841.9	0.4	27.8	29.2	3,039.6
4	4	Thomson Corp.	750.0	733.1	2.3	53.4	55.2	1,404.0
5	NA	News Corp. [2]	707.3	NA	NA	31.7	NA	2,234.4
6	5	Reader's Digest Association	681.4	636.7	7.0	100.0	100.0	681.4
7	6	Reed Publishing USA	624.0	580.0	7.6	77.6	79.5	804.0
8	8	International Data Group	528.0	420.0	25.7	100.0	100.0	528.0
9	7	McGraw-Hill	485.0	460.0	5.4	82.3	82.5	589.0
10	9	Meredith Corp.	432.0	417.1	3.6	79.4	78.5	543.8
TV companies								
1	2	Capital Cities/ABC	3,609.8	3,370.5	7.1	69.7	70.7	5,175.4
2	1	General Electric Co.	3,202.9	3,392.0	(5.6)	99.0	100.0	3,236.0
3	3	CBS Inc.	3,011.1	2,778.7	8.4	92.3	93.9	3,261.2
4	4	News Corp.	834.8	700.0	19.3	37.4	NA	2,234.4
5	5	Westinghouse Electric Corp.	534.0	530.0	0.8	72.8	82.0	734.0
6	6	Tribune Co.	458.9	419.4	9.4	26.9	25.0	1,703.0
7	7	Gillett Holdings	389.4	373.5	4.3	99.8	99.9	390.0
8	9	Cox Enterprises	320.4	310.9	3.1	18.7	18.7	1,710.9
9	8	Gannett Co.	309.4	319.0	(3.0)	9.0	9.1	3,441.6
10	10	Chris-Craft Industries	278.1	246.7	12.7	100.0	100.0	278.1
Radio companies								
1	2	CBS Inc.	250.2	181.2	38.1	7.7	6.1	3,261.2
2	1	Capital Cities/ABC	232.2	214.4	8.3	4.5	4.5	5,175.4
3	3	Westinghouse Electric Corp.	200.0	116.0	72.4	27.2	18.0	734.0
4	4	Cox Enterprises	98.7	89.6	10.2	5.8	5.4	1,710.9
5	5	Gannett Co.	87.3	89.3	(2.2)	2.5	2.5	3,441.6
6	7	Viacom International	75.2	56.2	33.8	5.6	4.7	1,337.5
7	6	Great American Communications Co.	71.4	68.1	4.8	34.9	34.4	204.6
8	8	Tribune Co.	47.4	48.7	(2.7)	2.8	2.9	1,703.0
9	9	Hearst Corp.	29.6	25.5	16.1	1.4	1.2	2,137.6
10	10	Park Communications	23.0	22.2	3.6	15.4	14.6	149.3
Cable companies								
1	1	Time Warner	3,017.0	2,720.0	10.9	60.8	59.5	4,964.8
2	2	TCI	2,942.0	2,362.0	24.6	100.0	100.0	2,942.0
3	3	Viacom International	1,173.5	1,052.6	11.5	87.7	87.8	1,337.5
4	5	Turner Broadcasting System	1,069.1	736.8	45.1	100.0	100.0	1,069.1
5	4	Continental Cablevision	938.0	780.0	20.3	100.0	100.0	938.0
6	8	Comcast Corp.	591.8	502.6	17.7	100.0	100.0	591.8
7	9	Cablevision Systems Corp.	563.0	492.7	14.3	100.0	100.0	563.0
8	6	SCI Holdings	553.1	516.0	7.2	100.0	100.0	553.1
9	7	Cox Enterprises	547.0	509.5	7.4	32.0	30.6	1,710.9
10	11	Capital Cities/ABC	442.0	315.1	40.3	8.5	6.6	5,175.4

Notes: Dollars are in millions. All figures are AA estimates. 1989 rankings adjusted to reflect figures shown. 1. Tribune's figures exclude *N.Y. Daily News* '90 and '89 revenues which now represent 100% of media at Maxwell Communications. 2. News Corp.'s 1990 figures exclude $225 million in revenues from consumer magazines and an estimated $70 million in revenues from *Daily Racing Form*, which were sold this June to K-III Holdings.

Compiled by: Kathy Welyki, Ilse Carmak, Laurie McLaughlin. **AA Chart:** Kathy Welyki.

100 leading media companies by revenue

Rank 1990	Rank 1989	Company, U.S. headquarters	Total media revenue 1990	Total media revenue 1989	% chg	Newspaper revenue 1990	Newspaper revenue 1989	Magazine revenue 1990	Magazine revenue 1989	Broadcast* revenue 1990	Broadcast* revenue 1989	Cable TV revenue 1990	Cable TV revenue 1989	Other media revenue 1990	Other media revenue 1989
1	1	**Capital Cities/ABC**, New York	$5,175.4	$4,767.0	8.6	$524.2	$490.9	$367.2	$376.1	$3,842.0	$3,564.9	$442.0	$315.1	—	—
2	2	**Time Warner**, New York	4,964.8	4,575.0	8.5	—	—	1,947.8	1,855.0	—	—	3,017.0	2,720.0	—	—
3	3	**Gannett Co.**, Arlington, Va.	3,441.6	3,518.2	(2.2)	2,775.2	2,852.0	—	—	396.7	466.3	—	—	$271.4	$257.9
4	5	**CBS Inc.**, New York	3,261.2	2,959.9	10.2	—	—	—	—	3,261.2	2,959.9	—	—	—	—
5	4	**General Electric Co.**, Fairfield, Conn.	3,236.0	3,392.0	(4.6)	—	—	—	—	3,202.0	3,392.0	33.1	NA	—	—
6	6	**Advance Publications**, Newark, N.J.	3,039.6	2,881.7	5.5	1,797.0	1,745.0	845.0	841.9	—	—	397.6	294.8	—	—
7	8	**TCI**, Denver	2,942.0	2,362.0	24.6	—	—	—	—	—	—	2,942.0	2,362.0	—	—
8	7	**Times Mirror Co.**, Los Angeles	2,855.2	2,807.1	1.7	2,066.0	2,065.9	313.4	305.9	104.5	102.8	371.3	332.5	—	—
9	NA	**News Corp.**, New York [2]	2,234.4	NA	NA	174.4	NA	707.3	NA	834.8	700.0	—	—	517.9	506.0
10	10	**Hearst Corp.**, New York	2,137.6	2,074.0	3.1	715.0	700.0	1,022.0	992.5	289.6	270.5	—	—	111.0	111.0
11	9	**Knight-Ridder**, Miami	2,106.1	2,096.7	0.4	1,992.1	1,994.9	—	—	—	—	114.0	101.8	—	—
12	11	**New York Times Co.**, New York	1,776.8	1,768.9	0.4	1,358.3	1,398.5	340.0	295.6	69.0	65.8	—	—	9.5	9.0
13	13	**Cox Enterprises**, Atlanta	1,710.9	1,664.0	2.8	744.8	754.0	—	—	419.1	400.5	547.0	509.5	—	—
14	12	**Tribune Co.**, Chicago	1,703.0	1,676.8	1.6	1,196.7	1,208.7	—	—	506.3	468.1	—	—	—	—
15	15	**Thomson Corp.**, New York	1,404.0	1,327.6	5.8	654.0	594.5	750.0	733.1	—	—	—	—	—	—
16	14	**Washington Post Co.**, Washington	1,356.1	1,372.9	(1.2)	691.0	726.7	340.2	334.4	179.4	182.5	145.5	129.3	—	—
17	16	**Viacom International**, New York	1,337.5	1,198.7	11.6	—	—	—	—	164.0	146.1	1,173.5	1,052.6	—	—
18	17	**E.W. Scripps Co.**, Cincinnati	1,220.0	1,181.1	3.3	784.6	781.2	—	—	235.9	222.6	199.4	177.3	—	—
19	20	**Turner Broadcasting System**, Atlanta	1,069.1	736.8	45.1	—	—	—	—	—	—	1,069.1	736.8	—	—
20	18	**Dow Jones & Co.**, New York	983.7	991.7	(0.8)	983.7	991.7	—	—	—	—	—	—	—	—
21	19	**Continental Cablevision**, Boston	938.0	780.0	20.3	—	—	—	—	—	—	938.0	780.0	—	—
22	21	**Reed Publishing USA**, Newton, Mass.	804.0	730.0	10.1	—	—	624.0	580.0	—	—	—	—	180.0	150.0
23	22	**Westinghouse Electric Corp.**, Pittsburgh	734.0	646.0	13.6	—	—	—	—	734.0	646.0	—	—	—	—
24	23	**Reader's Digest Association**, Pleasantville, N.Y.	681.4	636.7	7.0	—	—	681.4	636.7	—	—	—	—	—	—
25	24	**Advo-Systems**, Windsor, Conn.	655.0	617.7	6.0	—	—	—	—	—	—	—	—	655.0	617.7
26	25	**MediaNews Group**, Dallas	600.0	594.2	1.0	600.0	594.2	—	—	—	—	—	—	—	—
27	31	**Comcast Corp.**, Bala-Cynwyd, Pa.	591.8	502.6	17.7	—	—	—	—	—	—	591.8	502.6	—	—
28	26	**McGraw-Hill**, New York	589.0	557.3	5.7	—	—	485.0	460.0	104.0	97.3	—	—	—	—
29	28	**Valassis Inserts**, Livonia, Mich.	574.0	524.0	9.5	—	—	—	—	—	—	—	—	574.0	524.0
30	32	**Cablevision Systems Corp.**, Woodbury, N.Y.	563.0	492.7	14.3	—	—	—	—	—	—	563.0	492.7	—	—
31	30	**SCI Holdings**, Miami	553.1	516.0	7.2	—	—	—	—	—	—	553.1	516.0	—	—
32	27	**Meredith Corp.**, Des Moines, Iowa	543.8	531.4	2.3	—	—	432.0	417.1	111.8	114.3	—	—	—	—
33	38	**International Data Group**, Framingham, Mass.	528.0	420.0	25.7	—	—	528.0	420.0	—	—	—	—	—	—
34	29	**Affiliated Publications**, Boston	510.2	517.7	(1.4)	416.0	438.2	94.3	79.5	—	—	—	—	—	—
35	34	**Freedom Newspapers**, Irvine, Calif.	485.0	449.7	7.8	400.0	367.0	—	—	85.0	82.7	—	—	—	—
36	33	**Media General**, Richmond, Va.	467.8	452.5	3.4	302.8	300.5	13.3	13.5	55.7	55.1	95.9	83.3	—	—
37	37	**Chronicle Publishing Co.**, San Francisco	440.0	421.0	4.5	248.0	247.0	—	—	108.0	99.0	84.0	75.0	—	—
38	39	**A.H. Belo Corp.**, Dallas	439.7	418.4	5.1	247.1	239.2	—	—	192.6	179.2	—	—	—	—
39	35	**Central Newspapers**, Indianapolis	431.7	436.2	(1.0)	431.7	436.2	—	—	—	—	—	—	—	—
40	41	**Landmark Communications**, Norfolk, Va.	425.0	414.0	2.7	372.5	366.2	—	—	15.9	16.3	36.6	31.5	—	—
41	48	**Reuters Holdings PLC**, New York	419.0	382.9	9.4	—	—	—	—	—	—	—	—	419.0	382.9
42	43	**Oklahoma Publishing Co.**, Oklahoma City	416.5	399.6	4.2	127.0	127.0	—	—	160.0	159.6	129.5	113.0	—	—
43	40	**Harte-Hanks Communications**, San Antonio, Texas	411.1	414.8	(0.9)	307.7	318.5	—	—	23.0	20.9	—	—	80.4	75.4
44	50	**McClatchy Newspapers**, Sacramento, Calif.	405.9	365.6	11.0	405.9	365.6	—	—	—	—	—	—	—	—
45	44	**Copley Newspapers**, La Jolla, Calif.	405.2	399.2	1.5	405.2	399.2	—	—	—	—	—	—	—	—
46	45	**Morris Communications**, Augusta, Ga.	402.8	395.3	1.9	273.0	265.5	—	—	—	—	—	—	129.8	129.8
47	42	**Pulitzer Publishing Co.**, St. Louis	402.8	402.2	0.1	287.3	296.8	—	—	115.5	105.4	—	—	—	—
48	47	**Multimedia Inc.**, Greenville, S.C.	390.7	384.7	1.5	135.4	137.9	—	—	134.8	136.9	120.5	109.9	—	—
49	49	**Gillett Holdings**, Denver	390.0	374.0	4.3	—	—	—	—	390.0	374.0	—	—	—	—
50	46	**Hachette Publications**, New York	387.0	395.0	(2.0)	—	—	387.0	395.0	—	—	—	—	—	—
51	NA	**K-III Holdings**, New York [3]	361.9	NA	NA	70.0	NA	291.9	230.5	—	—	—	—	—	—
52	54	**Paramount Communications**, New York	356.8	300.5	18.7	—	—	—	—	145.0	130.5	211.8	170.0	—	—
53	52	**Donrey Media Group**, Fort Smith, Ark.	323.6	312.2	3.6	245.0	236.8	—	—	10.3	9.7	14.0	11.4	54.3	54.3
54	51	**Journal Register Company**, Trenton, N.J.	323.0	320.0	0.9	323.0	320.0	—	—	—	—	—	—	—	—
55	36	**Maxwell Communications**, New York [1]	321.8	422.0	(23.7)	321.8	422.0	—	—	—	—	—	—	—	—
56	55	**Providence Journal Co.**, Providence, R.I.	320.3	296.5	8.0	131.0	133.0	—	—	45.0	42.0	143.3	121.5	—	—
57	56	**Associated Press**, New York	311.9	287.6	8.4	—	—	—	—	—	—	—	—	311.9	287.6
58	53	**Cowles Media Co.**, Minneapolis	307.6	308.5	(0.3)	251.2	259.0	56.4	49.5	—	—	—	—	—	—
59	58	**Cablevision Industries Corp.**, Liberty, N.Y.	299.4	258.8	15.7	—	—	—	—	—	—	299.4	258.8	—	—
60	64	**Ziff Communications**, New York	290.0	240.0	20.8	—	—	290.0	240.0	—	—	—	—	—	—
61	57	**Journal Communications**, Milwaukee	289.0	282.5	2.3	232.5	228.4	—	—	56.5	54.1	—	—	—	—
62	59	**National Geographic Society**, Washington	279.6	255.5	9.4	—	—	279.6	255.5	—	—	—	—	—	—
63	63	**Chris-Craft Industries**, New York	278.1	246.7	12.7	—	—	—	—	278.1	246.7	—	—	—	—
64	65	**Sammons Communications**, Dallas	268.5	239.0	12.3	—	—	—	—	—	—	268.5	239.0	—	—
65	61	**Lee Enterprises**, Davenport, Iowa	267.8	250.0	7.1	196.5	180.2	—	—	71.3	69.8	—	—	—	—
66	60	**3M**, St. Paul, Minn.	265.0	250.0	6.0	—	—	—	—	—	—	—	—	265.0	250.0
67	66	**Adelphia Communications Corp.**, Coudersport, Pa.	250.2	229.6	9.0	—	—	—	—	—	—	250.2	229.6	—	—
68	62	**Chicago Sun-Times Co.**, Chicago	244.0	249.5	(2.2)	244.0	249.5	—	—	—	—	—	—	—	—
69	70	**Maclean Hunter**, Chicago	243.1	210.7	15.4	—	—	83.6	79.4	—	—	159.5	131.3	—	—
70	90	**Enquirer/Star Group**, New York	235.8	153.0	54.1	—	—	235.8	153.0	—	—	—	—	—	—
71	75	**TeleCable Corp.**, Norfolk, Va.	231.0	204.0	13.2	—	—	—	—	—	—	231.0	204.0	—	—
72	67	**Blade Communications**, Toledo, Ohio	226.0	225.0	0.4	172.0	173.0	—	—	18.0	17.0	36.0	35.0	—	—
73	69	**Forbes Inc.**, New York	225.7	213.1	5.9	6.7	6.6	219.0	206.5	—	—	—	—	—	—
74	68	**Petersen Publishing Co.**, Los Angeles	224.3	214.8	4.4	—	—	224.3	214.8	—	—	—	—	—	—
75	76	**Century Communications Corp.**, New Canaan, Conn.	219.4	188.2	16.6	—	—	—	—	—	—	219.4	188.2	—	—
76	71	**Times Publishing Co.**, St. Petersburg, Fla.	213.0	209.0	1.9	183.0	181.0	30.0	28.0	—	—	—	—	—	—
77	76	**Seattle Times Co.**, Seattle	210.0	200.0	5.0	210.0	200.0	—	—	—	—	—	—	—	—
78	72	**Dispatch Printing Co.**, Columbus, Ohio	205.4	205.4	0.0	140.0	140.0	2.1	2.1	63.3	63.3	—	—	—	—
79	77	**Great American Communications Co.**, Cincinnati	204.6	197.7	3.5	—	—	—	—	204.6	197.7	—	—	—	—
80	82	**Heritage Media Corp.**, Dallas	203.9	165.0	23.5	—	—	—	—	51.0	48.9	—	—	152.9	116.1
81	73	**Edgell Communications**, Cleveland	202.0	205.0	(1.5)	—	—	202.0	205.0	—	—	—	—	—	—
82	74	**Family Media**, New York	200.1	204.2	(2.0)	—	—	200.1	204.2	—	—	—	—	—	—
83	92	**Houston Industries**, Houston	199.9	150.4	32.9	—	—	—	—	—	—	199.9	150.4	—	—
84	NA	**American Express Co.**, New York	190.0	NA	NA	—	—	190.0	NA	—	—	—	—	—	—
85	88	**Pinelands Inc.**, Secaucus, N.J.	181.1	157.6	14.9	—	—	—	—	181.1	157.6	—	—	—	—
86	79	**Patrick Media Group**, Scranton, Pa.	178.5	182.0	(1.9)	—	—	—	—	—	—	—	—	178.5	182.0
87	94	**Univision Holdings**, New York	175.1	145.9	20.0	—	—	2.0	0.7	165.8	141.0	—	—	7.4	4.3
88	89	**CMP Publications**, Manhasset, N.Y.	175.0	157.5	11.1	145.0	133.4	30.0	24.1	—	—	—	—	—	—
89	80	**U.S. News & World Report**, Washington	170.2	170.2	0.0	—	—	170.2	170.2	—	—	—	—	—	—
90	81	**Times Journal Co.**, Springfield, Va.	169.0	166.5	1.5	169.0	166.5	—	—	—	—	—	—	—	—
91	87	**Howard Publications**, Oceanside, Calif.	163.0	160.0	1.9	163.0	160.0	—	—	—	—	—	—	—	—
92	86	**General Media International**, New York	162.0	160.0	1.3	—	—	162.0	160.0	—	—	—	—	—	—
93	85	**LIN Broadcasting**, New York	157.8	162.4	(2.8)	—	—	23.4	23.4	134.5	139.0	—	—	—	—
94	93	**Playboy Enterprises**, Chicago	155.6	148.0	5.1	—	—	127.5	126.1	—	—	28.1	21.9	—	—
95	84	**Macromedia**, Hackensack, N.J.	154.8	163.3	(5.2)	127.3	135.8	—	—	27.5	27.5	—	—	—	—
96	96	**Pittway Corp.**, Northbrook, Ill.	153.4	144.5	6.2	—	—	153.4	144.5	—	—	—	—	—	—
97	83	**Whittle Communications**, Knoxville, Tenn.	153.3	165.0	(7.1)	—	—	65.1	NA	—	—	11.0	NA	77.2	NA
98	97	**Straight Arrow**, New York	152.0	135.9	11.8	—	—	152.0	135.9	—	—	—	—	—	—
99	95	**Crain Communications**, Chicago	150.1	145.1	3.4	—	—	149.6	144.7	0.5	0.4	—	—	—	—
100	91	**Park Communications**, Ithaca, N.Y.	149.3	152.5	(2.1)	87.8	89.9	—	—	61.5	62.6	—	—	—	—

Notes: Dollars are in millions. All figures are net revenues and AA estimates. 1989 rankings adjusted to reflect figures shown. *Broadcast revenues include TV and radio. See Page 20 for methodology and chart footnotes 1 & 2.

Compiled by: Kathy Wolyki, Ilse Cermak, Laurie McLaughlin. AA Chart: Kathy Wolyki.

NOTE

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Ralston scrambles to boost cereals

By Julie Liesse

Ralston Purina Co. will try to regain its touch in the cereal market with the fall introduction of two licensed products.

Eager to find a winning formula, Ralston will introduce nationally Addams Family cereal and launch into Western markets WWF Superstars cereal.

Although Ralston has been one of the cereal market's success stories during the past two years, the company's future position depends on how far private-label products can penetrate the category and how well Ralston selects new licensed properties.

In the past year, it apparently hasn't chosen well. For the most recent four-week period, ended in mid-July, Ralston's pound share of the $7.2 billion cereal category was 4.2%, repre-

(Cont'd on Page 45)

Cross-media deals surge into cable

CNN-'USA Today' package leads swell

By Alison Fahey and Scott Donaton

New momentum for the cross-media trend is being generated by a wave of alliances between cable TV and publishers of magazines and newspapers.

Turner Broadcasting System's Cable News Network and Gannett Co.'s *USA Today* late last week announced their long-awaited agreement to produce a sports show.

Waiting in the wings: cable/-print partnerships involving *Newsweek* and MTV: Music Television, *McCall's* and USA Network, and the Weather Channel and *Skiing*.

Those alliances are either signed or close to completion, while other players like CNBC and Hachette Magazines are actively seeking partners to compete with vertically integrated media giants like Time Warner and Hearst Corp. The Family Channel said it's negotiating with "several women's service magazines, some related," about forming cross-media packages for advertisers in 1992.

The combination of print and cable TV is attractive to advertisers because both are narrowly targeted, highly flexible and relatively affordable media, industry experts agree.

"The demographic selectivity of magazines ties in very well with the demographic selectivity of cable," said David Verklin, senior VP-corporate media director at Hal Riney & Partners, San Francisco. "Magazines have presented themselves based on their ability to reach discrete demographic targets. That's the strategic and conceptual basis of these alliances."

CNN and *USA Today* last week

(Continued on Page 46)

LAST MINUTE NEWS

Nike matches Agassi, Julia Child

BEAVERTON, Ore.—Nike pairs tennis star Andre Agassi and chef Julia Child in a TV spot that breaks next week during the U.S. Open. In the "Bouncing TV" commercial, a TV set tuned to an Agassi match shakes, bounces and rolls with the force of the athlete's play. At one point, the channel even changes—to Ms. Child cooking artichokes. Wieden & Kennedy, Portland, is the agency.

McCann on tap for N.Y. state tourism

ALBANY, N.Y.—New York State Department of Economic Development is expected to award its $3 million tourism account to McCann-Erickson Worldwide, New York. The account since 1977 has been at Wells Rich Greene BDDP, creator of the "I Love N.Y." campaign.

PM smoking over 'Marlboro Man' film

NEW YORK—Philip Morris USA isn't ruling out the possibility of an advertising or promotional campaign to disavow any relationship between the company and MGM/-Pathe Entertainment's upcoming film, "Harley Davidson & the Marlboro Man." A Philip Morris spokeswoman said the company has sent three letters to the film studio expressing "outrage" about having its flagship brand name in the movie's title. She noted the company has no legal recourse

(Continued on Page 8)

INSIDE

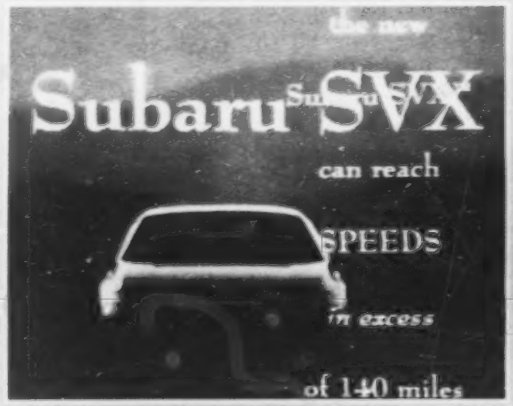
One-on-one with Dennis Hopper. **Page 13.**

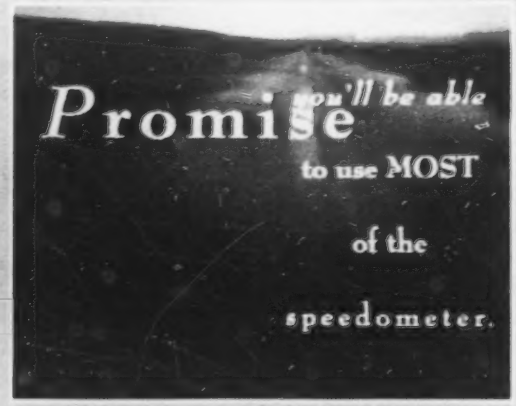
Top 200 Brands: McDonald's leaps past AT&T as top spender. **Page 14.**

Special Report: Rough ride for non-traditional media. **Page 27.**

Orion Pictures

Dennis Hopper





Commercials from Wieden & Kennedy for Subaru's SVX "promise you'll be able to use most of the speedometer."

Subaru overhauls image

By Bob Garfield

AD REVIEW

You manufacture a line of small, dull, utilitarian import cars with an image—if they've made any impression at all—of plodding practicality.

General Motors outspends you in advertising by a billion dollars-plus, Toyota by a factor of five. You've finally infused your products with modern design and performance, but you're still the automotive equivalent of sensible shoes. What do you do?

Think Big.

Thirty years ago, a dull and utilitarian import called Volkswagen, facing similar marketing obstacles, was able to Think Small—to ridicule the extravagance and impracticality of Detroit's stylish monsters mainly by making modest fun of itself. The unprepossessing little Beetle thus became a symbol of functional dignity for the sort of car buyer whose self-esteem didn't require tail fins and a 400 cubic-inch V-8.

That is precisely the positioning Subaru of America covets for 1992—with one important difference. The big boats are gone. The competition is nearly all solid and practical. The psychological appeal of self-possession and ridicule of conspicuous consumption are as valid as they ever were, but what

(Continued on Page 46)

Insurance group growls

By Raymond Serafin

Wieden & Kennedy's first major campaign for Subaru of America pokes fun at high-speed automotive ad cliches, but highway safety advocates aren't laughing.

Claiming the advertising promotes the reckless sort of driving that it parodies, the Insurance Institute for Highway Safety said it will ask officials of the importer and its Japanese parent company not to run the advertising scheduled to break late this month.

Charles Hurley, VP of the industry group, said the institute may ask the Federal Trade Commission and the U.S. surgeon general to get involved.

Wieden, based in Portland, Ore., is best known for its high-profile Nike advertising. The agency won

(Continued on Page 46)

NEWS SUMMARY

■ **Cable News Network** and *USA Today* will jointly produce a sports show, latest in a growing list of partnerships between cable companies and publishers. 1

■ **Subaru of America's** new ad campaign poking fun at high-speed automotive ad cliches has brought protests from highway safety advocates. 1

■ **Ralston Purina** will market two new licensed products, Addams Family cereal and WWF Superstars cereal. 1

■ **Delta Air Lines,** which will acquire key routes from Pan Am, plans a marketing campaign to position it as major global competitior to American and United. 3

■ **Battletoads,** a new videogame from Tradewinds, will be promoted on TV and elsewhere starting in late August. 3

■ **Hill & Knowlton** formed an executive committee to which CEO Robert Dilenschneider now reports. 3

■ **Hearst Corp.** and Dow Jones & Co. will begin a test next March of a new personal finance magazine, *SmartMoney.* 4

■ **U.S. ad spending** will drop 2.3% in real terms this year, forecasts Saatchi & Saatchi's media buying unit. 4

■ **Newspac,** a sample-carrying packet inserted in newspapers, is under test by the *Chicago Tribune.* 4

■ **Whittle Communications** is said to be considering $120 million in added support of its place-based TV systems. 4

■ **Revlon's** reorganization of its North American unit signals plans for broader distribution of its products. 12

■ **Hardware product** marketers expect growth in environmentally friendly products to help boost sales this year. 12

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Flying with Pegasus

Huhndorf holds ad reins at Mazda luxury unit

By Cleveland Horton

When Mazda Motor of America takes the wraps off its new luxury division this week, it will also be focusing attention on the division's ad manager, Susan Huhndorf.

A Mazda task force looking into a second channel of distribution, code-named Pegasus, earlier this month selected Ms. Huhndorf to oversee the estimated $50 million account, for which an agency review is getting under way.

The new luxury line is slated for a 1995 introduction and will compete with Toyota Motor Sales USA's Lexus, Nissan Motor Corp. USA's Infiniti and American Honda Motor Co.'s Acura.

Ms. Huhndorf, 37, is undaunted by the task.

"I think it's a lot of fun getting involved with the introduction of a new division, especially in the luxury category," she told *Advertising Age.*

Ms. Huhndorf has spent her entire career at ad agencies. She began at Competitive Edge, Los Angeles, an agency specializing in car dealer and dealer-group accounts. She moved to Della Femina, McNamee to work on American Isuzu Motors for "a couple of years," before joining Keye/Donna/Pearlstein in 1984. She left about two years later for a short stint at Bozell and a year as an account supervisor at Chiat/Day/Mojo before returning to K/D/P in '88.

She was among the handful of K/D/P staffers who moved to Livingston & Keye this year when K/D/P folded. Most recently, she was VP-account director.

People who've worked with Ms. Huhndorf praise her strategic thinking and ability to lead.

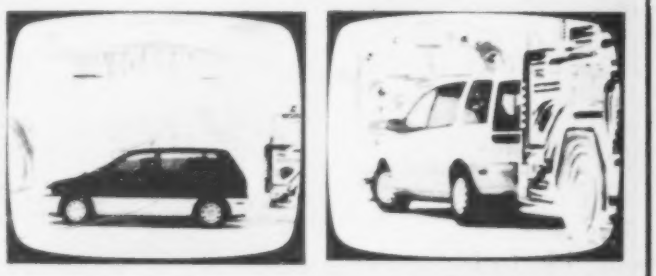
"She's a remarkable woman, very bright," said Paul Keye, chairman-executive creative director at Livingston & Keye. "She's a good leader."

Ms. Huhndorf assisted K/D/P in its original pitch for the American Suzuki Motor Corp. account, but once the agency won the account, she asked to work on other business. She ended up working on the California Department of Health Services' controversial anti-smoking account, among others.

Tom Patty, Chiat exec VP-account director, said: "She definitely has a thorough familiarity with and understanding of the car business." □

Mitsubishi makes Expo-nential leap

Mitsubishi Motor Sales of America introduces its Expo "sport wagons" today with TV spots on the West Coast. It's positioning the Expo as a vehicle fitting between station wagons and minivans. Grey Advertising, New York and Fountain Valley, Calif., handles.



P&G keeps attacking

By Jennifer Lawrence

Procter & Gamble Co.'s current new-products attack is moving ahead with a variety of brands, either moving into test or rolling nationally.

As many as six new entries are joining the recently disclosed Crest Complete toothbrush, Luvs Phases and Pampers Phases diapers, and Liquid Tide With Bleach Alternative (AA, Aug. 12).

Cinch, a combination glass/all-purpose cleaner that's been in test since last year, will be shipped to retailers nationally beginning today.

The product will get advertising from Jordan, McGrath, Case & Taylor, New York, themed "Don't clean it twice. Cinch it once."

Head & Shoulders 2-in-1 shampoo will be on store shelves in October. Like the successful Pert Plus, the product's "2-in-1" benefit offers a shampoo with conditioner. The product is rolling out without market testing. Ad support will be from Tatham/RSCG, Chicago.

Duncans Cups, a line of microwave bake-in-the-box package cupcake mixes, is expanding distribution from the East Coast to the West Coast markets starting today.

Test-market advertising from N W Ayer, New York, was themed "Oven baked. Not half baked."

Ivory Liquid, a clear dishwashing liquid in a clear bottle, is replacing the current white Ivory Liquid in Western test markets. TV advertising is themed "Now you can fight grease with your bare hands." Saatchi & Saatchi Advertising, New York, handles.

Ultra Downy fabric softener in liquid concentrate and refill versions have begun testing in Little Rock, Ark. Grey Advertising, New York, is the agency.

Also, Metamucil Sunrise Smooth will be available nationally this fall. The line extension of the leading bulk fiber laxative has been testing in Evansville, Ind., since last September with advertising themed "The grit is gone."

Tatham/RSCG, Chicago, is the agency. □

MasterCard multiplies

New retail partners join MasterValues promotion

By Gary Levin

NEW YORK—MasterCard International is adding six retail partners to its ongoing MasterValues program this fall in the company's most aggressive promotional campaign to date.

The move comes as MasterCard executives strongly denied persistent rumors of a strained relationship with agency Lintas:USA and maintained they don't plan to put the $45 million account up for grabs.

The latest installment of the MasterValues program, originally introduced last fall and reprised in the spring, will run from Oct. 15 to Dec. 24, supported by an estimated $10 million in radio spots, magazine ads and a five-week spot and cable TV campaign breaking Thanksgiving weekend.

That MasterCard effort will be challenged by primary competitors Visa USA and American Express Co.

In early October, Visa will start a contest offering its card users the chance to win one of several trips to the 1992 Winter Olympics in Albertville, France. Visa is a major sponsor of the Games.

The promotion will be "splashier" than a similar effort tied to the 1988 Games, said Visa spokesman Brad Hennig. Details are still being worked out, including the possible participation of retail merchants, he said.

BBDO Worldwide, New York, is creating a TV spot to promote the Winter Olympics giveaway.

AmEx plans a multimillion-dollar fourth-quarter ad campaign centered on a new retail promotion to drive card use. The company declined to give details but said advertising would prominently feature retail merchants.

Meanwhile, AmEx continues to run co-op ads for restaurants and hotels, and offers free trips and other prizes under its recently launched Membership Miles frequent-traveler program.

But MasterCard believes its program, which requires retail participants to post in-store sign-

(Continued on Page 45)

Hopper rides into commercials

After acting in and directing feature films since 1955, Hollywood rebel Dennis Hopper this year signed on with Los Angeles production company Gibson/Lefebvre/Gartner to direct TV commercials.

The 55-year-old director, best known for the 1969 counterculture classic film "Easy Rider," will be a featured speaker later this week at Advertising Age's *Marketing Forum '91. He talked last week with Reporter Marcy Magiera about advertising's influence on the movies and the movies' influence on advertising.*

Advertising Age: *TV commercials seem a surprising change of direction for someone with your rebellious, anti-establishment image. What aspects of commercial directing appeal to you?*

Mr. Hopper: I think that in a lot of aspects it's a more creative way of expressing yourself, even though I know it's very staid and there's a lot of people making decisions. The outcome is much more dramatic to me, and much more satisfying creatively. . . .

When I was doing "Easy Rider," and I did the cemetery scene with me taking the acid, most of those images that I used and the kind of editing style that I used I'd only seen in commercials and experimental filmmaking. . . .

I've always felt that the feature film was always a little behind. . . . People are used to seeing quick commercials and quick cuts and the production value of commercials. I think that's why our [movie] audiences have such a limited attention span right now, because of the quick sell of commercials.

AA: *What's the challenge?*

Mr. Hopper: [Commercial direction] would allow me to enter an area where I could experiment more and try things that you can't really do in features.

AA: *How different is the storytelling in commercials?*

Mr. Hopper: The one thing that bothers me in film, and I think it's everybody's nightmare in feature film, is that we have a linear story set up where we have to tell an external story and never get inside. In a novel, you can have a first-person experience because you can hear the person talking. . . . You can't do that in a feature film. But in a way, you do that in a commercial.

ONE ON ONE

AA: *How?*

Mr. Hopper: In a commercial, you can actually get into those areas visually. . . . The only way we can deal with it in feature film is narration.

I find narration really a cop-out most of the time. I think the closer we get to being able to explain ourselves visually without having to do it in narrative, the better off we are. . . .

Then you see your MTV music videos, which are also opening up an area of experimentation. And hopefully, eventually, all these things will seep back in a little later into feature filmmaking.

AA: *Are there any product categories you're especially interested in creating ads for? Or any products for which you wouldn't direct commercials?*

Mr. Hopper: I'm not really thinking of it that way. I could tell you things that I admire or that I think that are wonderful. I think the Xerox things, and . . . AT&T, a lot of those are really wonderful. . . .

I don't know who does them, but I'm sure they're top-of-the-line people. I think there's a Xerox copier ad with a child, an Oriental child, who's learning to walk. Then it goes into Michelangelo, they're repainting the Sistine Chapel. Then it goes through a variance of things that are just wonderful images.

AA: *Are there any commercial directors specifically whose work you admire?*

Mr. Hopper: I don't really know one from another. I only know when I see something that I like.

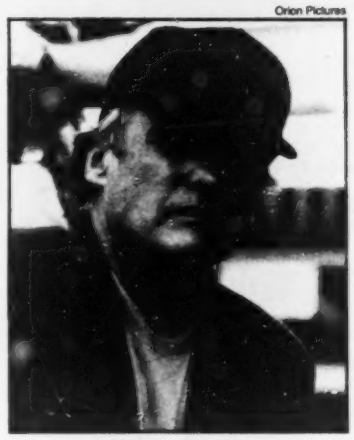
AA: *Are there any social or environmental causes in which advertising hasn't played a role yet where you think it could? Or are there any for which you'd like to do work?*

Mr. Hopper: You know, I see them on television. This egg is your brain being fried, or whatever it is. I think all those things are valid. We're a country that's a hard-sell country, so whatever we sell we should sell well, whether it's anti-drug [information] or it's [a message] about the environment.

AA: *Have you ever appeared in advertising?*

Mr. Hopper: I did one print thing years and years ago. John Huston and I did a thing for Jim Beam. I'd just directed "Easy Rider," and his first movie was "The Maltese Falcon," and they did a print ad saying: "There's no generation gap. Hopper just made 'Easy Rider' and John Huston's first film was 'The Maltese Falcon' and here they are arm-in-arm together drinking Jim Beam."

Orion Pictures



Dennis Hopper

The only reason I did that was because of John Huston.

AA: *Other feature film directors like Spike Lee and Leonard Nimoy have recently become involved in directing commercials. What do you think of the trend?*

Mr. Hopper: I think that's probably good. They've been doing it in Europe; this is nothing new in the industry, it's only new in this country.

We have such stigmas here, you know. "If they do commercials, they can't do features. If they do television, they can't do features." It goes on and on and on.

Your top cinematographers have certainly been doing commercials forever. Haskell Wexler, all of them, have been doing commercials. So I don't think there's any difference in directors coming in and doing commercials. I think it's good for the [advertising] industry.

AA: *Do you have any reservations about your ability to mesh with corporate America?*

Mr. Hopper: I've never had [experience with] it, so I wouldn't know. I've only heard nightmare stories. I'll have to do [a commercial] to find out, I guess.

AA: *Do you have any commercial projects set up yet?*

Mr. Hopper: No. I've lost a couple to people because I'd never done a commercial. I find that humorous.

AA: *Now that you're entering the advertising business, it seems appropriate to ask what you—as a movie director—think of the way movies are marketed.*

Mr. Hopper: Right now, it's very difficult to get a movie done unless you can go in and market it in a two-liner. They don't even read the script. [Studio executives ask,] "Well, what's it about? What category is it?" Then you've got to be able to explain what your film's about in two sentences or less and how they're going to market it, or they're not even going to read it.

AA: *Have you been involved in creating the commercials and trailers used in marketing your movies?*

Mr. Hopper: I've done them all, since the beginning, for all my movies. I've never been with anyone who hasn't encouraged me to do that. . . . I haven't ever bucked heads with anybody, except Universal Pictures at one point. [The studio] refused to distribute "The Last Movie" after I won the Venice Film Festival [in 1971] unless I re-edited it. I had final cut [authority] and refused to recut it, so it was never really distributed. . . .

It was my last movie for a long time. □

Exec views on media clash with plans

By Joe Mandese

The perceptions ad executives have about the effectiveness of different media don't match the reality of their media plans, a new study found.

The majority of advertiser and agency executives said network TV plays the greatest role in their overall marketing plans, but the same executives rated special-interest magazines and cable TV as the most effective media.

Of almost 500 ad executives responding to the 1991 Survey on Marketing Effectiveness & Media Value, 72% said broadcast network TV was "very/extremely" valuable to their plans. The survey was conducted by Myers Marketing & Research.

By comparison, 58% rated cable TV as "very/extremely" valuable, followed by special-interest magazines, 53%; radio, 39%; newspapers, 29%; and general-interest magazines, 23%.

When asked to rate each of those media on overall effectiveness and value, 47% said both cable and special-interest magazines performed the best, followed by broadcast TV, 43%; radio, 40%; general-interest magazines, 30%; and newspapers, 17%.

While the findings seem to support some ad executives' belief that agencies plan a disproportionate share of client media budgets around network TV, agency media executives disagreed.

"Effectiveness is a relative term. It really depends on what the client's marketing and communications goals are," said Richard Kostyra, exec VP-director of media services at J. Walter Thompson USA, New York.

George Hayes, senior VP-director of media planning of McCann-Erickson USA said: "If you're measuring effectiveness in terms of sales promotion, cable and special-interest magazines are head and shoulders above network. If you're measuring it in terms of reach, network beats them hands down."

Specific effectiveness responses to the survey support that view.

Asked to rate the "availability of marketing/promotional support," radio rated No. 1, followed by special-interest magazines, general-interest magazines, cable TV, network TV and newspapers.

But asked to rank effectiveness in "influencing consumer motivations," network TV ranked highest, followed by cable TV, special-interest magazines, radio, general-interest magazines and newspapers.

While McCann's Mr. Hayes said he believes network TV still is the most effective medium overall, he acknowledged a growing sentiment throughout the industry that its effectiveness is slipping.

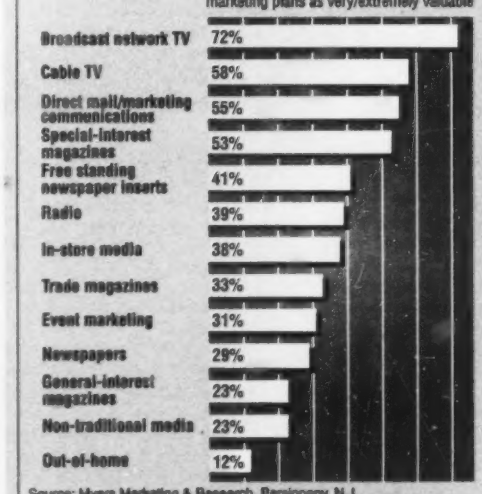
"There is a perception that network television has lost some of its effectiveness and there may be a feeling that there is too much reliance on the medium," he said. "But you'd be hard pressed to say that cable was actually more effective than network TV."

The mail survey was conducted in March and April among executives who serve on an ongoing panel. □

What's wrong with this picture?

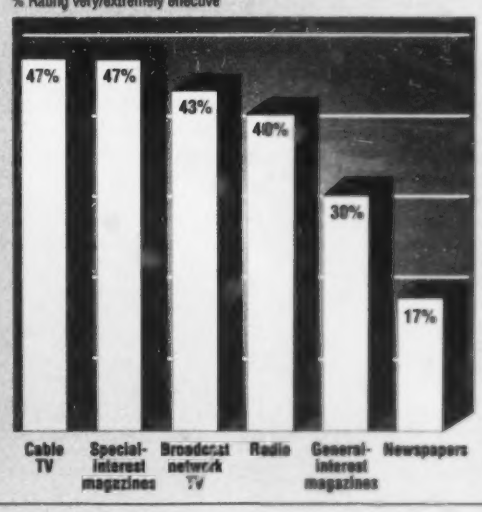
Broadcast networks still dominate national advertising plans...

% Rating the contribution of each medium to overall marketing plans as very/extremely valuable



...but cable TV and special-interest magazines lead media in overall effectiveness and value.

% Rating very/extremely effective



Source: Myers Marketing & Research, Parsippany, N.J.

KIMBERLY MART

Cutbacks at AT&T are enough to push McDonald's to the top in quarterly Ad Age survey

THE TOP 200 BRANDS

Top brands pull away from the pack

By R. Craig Endicott

If all advertisers followed the lead of the Top 200 brands, the media business might not be in its current mess.

While the rest of the nation's advertisers spent 15.5% less in first quarter 1991 vs. first quarter 1990, the Top 200 brands boosted their spending 6.2%. The showing was even more impressive in light of an anemic 0.5% increase among the Top 200 in fourth quarter 1990 vs. fourth quarter 1989.

Although the Top 200's $3.7 billion in collective spending accounted for 42.1% of all advertisers' media expenditures—up from 36.6% in first quarter 1990—the Top 200 couldn't shoulder the entire industry's burden.

Spending below the Top 200 turned stingy. Excluding the Top 200, advertising plunged 12% in magazines, 26% in newspapers, 15.6% in network TV and 13.1% in spot TV. The Top 200, however, cut back only network TV a minuscule 1% to $1.5 billion. The only media to fare well among brands below No. 200 were cable, up 1%, and national spot radio and syndicated TV, each up 15%.

AT&T cut its first-quarter 1991 expenditures 28.9%, to $67.5 million, from the same period in 1990, unseating it as the top-spending brand, a position it had held for four consecutive quarters, according to *Advertising Age's* Top 200 Brands listing *(see full chart on Page 18)*. The company reduced spending for Long Lines business and Long Lines overseas to $20.1 million, down 44% from first quarter 1990, according to LNA/Arbitron Multi-Media Service.

Heavy maintenance-level ad spending by McDonald's restaurants, which grew 1.5% from the year-earlier period to $95 million, moved it to the No. 1 spot as AT&T tumbled to No. 5.

Despite overall growth, the Top 200 are not recession-proof. Growth in first quarter 1991 was less dramatic than the year-earlier growth of 9.5% from first quarter 1989.

Several top categories among the 200 were marked by spending cuts: Retail (non-food) advertising dipped 19.6% among the 12 brands in the Top 200; airlines dropped 0.7%; beverages 8.7%; credit/financial services 17.2%; and telephone services 8.7%.

The auto category again carried the big load, accounting for 22% of all spending by the Top 200, same as in 1990. But unlike each of the four preceding quarters in which growth in ad spending by Japanese brands far outstripped U.S. counterparts, the first quarter saw Detroit come out swinging.

With 14 of the 29 brands in the category U.S. nameplates, Detroit pushed its spending to $458.7 million, up 17.2%. Ten Japanese brands totaled $284.1 million, down 4%.

The Ford brand rose from No. 6 a year ago among all brands to No. 2 by spending $89.7 million, up 37.1%. The big beneficiaries were Ford Escort at $14.3 million, up 232.6% from the prior-year period; Ford general promotion for cars and trucks, up 322.5% to $16.9 million, and Ford Crown Victoria, which went from nothing to $7 million, according to LNA/Arbitron.

Chevrolet spent $88.8 million, up 27.4%, vaulting it from No. 5 in first quarter 1990 to No. 3. Chevrolet backed Caprice with $10.9 million, up 131.9%, and funneled $19.8 million into general promotion for passenger cars and light trucks, up from only $500,000 in the prior-year period.

Network TV, the big auto medium, received 7.6% fewer dollars than in first quarter 1990 as auto advertising rose in magazines, spot TV and newspapers.

Network TV faired poorly among food advertisers, the second-largest category among the Top 200 at $374.8 million. Network spending dipped 14% as spot TV rose 32%, syndicated TV, 17.5%, and magazines, 5%.

Network TV performed best among the third- and sixth-largest Top 200 categories, rising 30% from the entertainment category and 11.5% from the drug category, which grew a remarkable 17.2% in all media to $193.4 million. Seasonal flu and cold remedies abounded in the category, led by No. 12 Tylenol at $44.3 million, up 28.2%.

The biggest-spending corporation, based on Top 200 brands, was General Motors Corp. Its $256.6 million spending among eight Top 200 brands represented a 19.9% increase. Philip Morris Cos. was second, backing 10 brands with $204.2 million, up 5.1%. PM's top finisher was No. 8 Kraft at $55.4 million, up 11.3%.

Ad totals in this report are for 10 media provided by LNA/Arbitron. A "brand" is a product or service marketed under the same name. A brand's ad total can cross LNA/Arbitron-designated subclasses, but brand ad totals include only amounts from those subclasses where spending exceeded $500,000. □

Top 10 parent cos. of brands in top 200

Rank	Company	Measured ad spending 1991	1990	% chg	Ad spending by media Print	Broadcast	Outdoor	Number of brands
1	General Motors Corp.	$256.6	$214.1	19.9	$73.4	$181.9	$1.3	8
2	Philip Morris Cos.	204.2	194.3	5.1	41.1	150.4	12.6	10
3	PepsiCo	122.9	113.9	7.9	2.0	120.4	0.6	4
4	Procter & Gamble Co.	120.7	125.6	(3.9)	17.4	103.0	0.3	11
5	Ford Motor Co.	108.4	76.1	42.5	29.8	78.4	0.2	2
6	McDonald's Corp.	95.0	93.6	1.5	1.0	92.6	1.4	1
7	Chrysler Corp.	93.8	101.3	(7.4)	26.7	67.0	0.0	4
8	Toyota Motor Corp.	90.2	81.7	10.4	25.9	63.9	0.4	2
9	Sears, Roebuck & Co.	87.7	112.9	(22.4)	19.4	68.3	0.0	3
10	Kellogg Co.	77.1	92.0	(16.2)	0.9	76.2	0.0	1

Notes: Dollars are in millions. Totals include only brands from within the top 200 in the first quarter of 1991. Source: LNA/Arbitron Multi-Media Service

Top 10 categories among top 200 brands in first quarter 1991

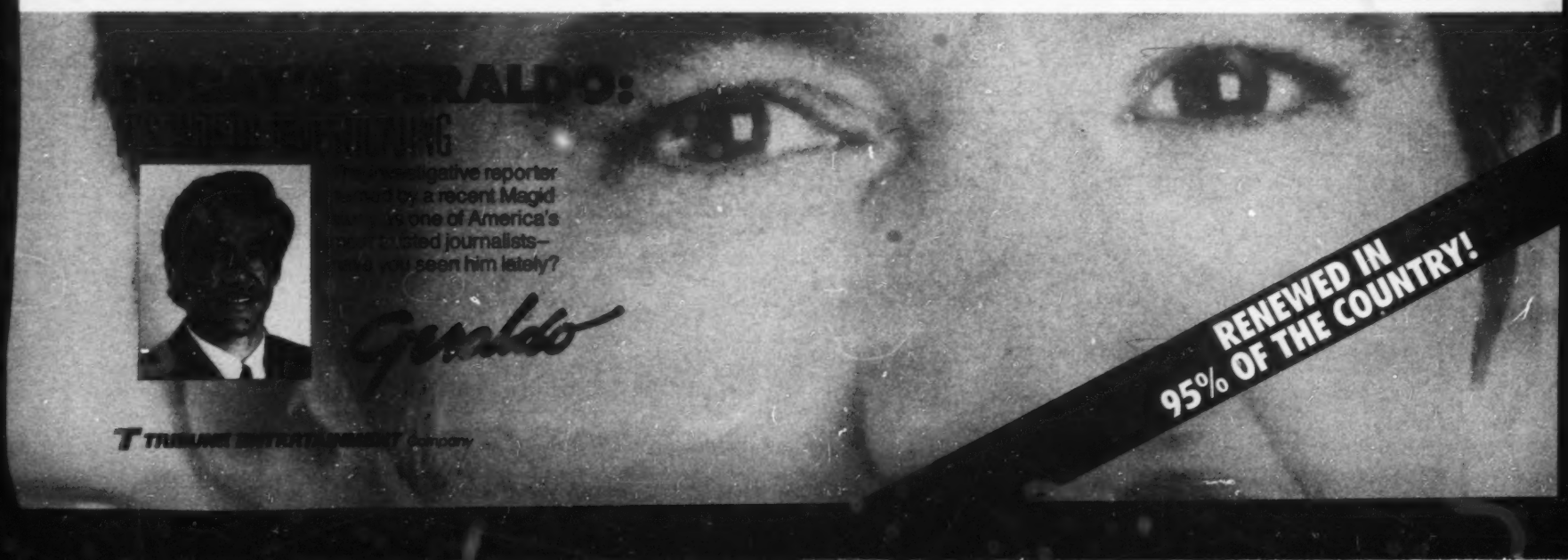
Rank	Category	Measured ad spending 1991	1990	% chg	Ad spending by media Print	Broadcast	Outdoor	Number of brands
1	Automotive	$812.8	$762.7	6.6	$232.1	$578.1	$2.7	29
2	Food	374.8	368.3	1.8	38.7	336.0	0.1	19
3	Entertainment & media	311.8	279.2	11.7	116.1	194.2	1.6	17
4	Restaurants	281.0	272.3	3.2	1.4	276.7	2.9	10
5	Retail (non-food)	207.3	257.9	(19.6)	107.2	100.0	0.2	12
6	Drugs	193.4	165.1	17.2	8.1	185.3	0.0	16
7	Beverages	171.6	187.8	(8.7)	9.2	161.6	0.8	9
8	Toiletries	165.2	146.7	12.6	47.7	117.6	0.0	14
9	Telephone services	128.4	140.6	(8.7)	13.1	114.9	0.4	5
10	Beer	104.7	103.0	1.7	4.5	98.7	1.5	3

Notes: Dollars are in millions. Totals include only brands from within the top 200 in first quarter 1991. Source: LNA/Arbitron Multi-Media Service.

Measured media spending in first quarter 1991

Rank	Media	Top 200 brands 1991	1990	% chg	All measured brands 1991	1990	% chg
1	Network TV	$1,515.9	$1,531.4	(1.0)	$2,396.3	$2,574.9	(7.0)
2	Spot TV	684.9	650.2	5.3	1,875.3	2,020.4	(7.2)
3	Magazine	473.6	435.1	8.9	1,377.1	1,464.2	(5.9)
4	Newspaper*	399.6	386.6	3.4	1,739.5	2,202.5	(21.0)
5	Syndicated TV	247.4	180.5	37.1	445.1	351.2	26.7
6	Cable TV networks	128.1	102.0	25.5	282.7	254.9	10.9
7	Network radio	87.6	61.8	41.8	189.6	174.2	8.9
8	National spot radio	63.9	52.8	21.2	217.7	186.4	16.8
9	Outdoor	44.7	32.5	37.5	150.6	150.3	0.2
	Subtotal print media	873.2	821.7	6.3	3,116.6	3,666.7	(15.0)
	Subtotal broadcast media	2,727.9	2,578.6	5.8	5,405.8	5,561.9	(2.8)
	Total	3,645.8	3,432.8	6.2	8,673.0	9,379.0	(7.5)

Notes: Dollars are in millions. * includes newspaper-distributed Sunday magazines. Source: LNA/Arbitron Multi-Media Service. AA charts: Kevin Brown



Top 200 mega-brands by first-quarter ad spending

Rank '91	Rank '90	Brand, product, service & parent company	Total measured ad spending 1991	1990	% chg
1	2	**McDonald's restaurants**, McDonald's Corp.	$94,959.3	$93,591.0	1.5
2	6	**Ford cars & trucks**, Ford Motor Co.	89,686.4	65,397.8	37.1
3	5	**Chevrolet cars & trucks**, General Motors Corp.	86,779.1	68,064.0	27.4
4	3	**Kellogg breakfast foods**, Kellogg Co.	77,138.6	91,999.2	(16.2)
5	1	**AT&T telephone svcs**, AT&T Co.	67,545.3	95,064.0	(28.9)
6	7	**Toyota cars & trucks**, Toyota Motor Corp.	66,201.1	61,126.4	8.3
7	4	**Sears stores**, Sears, Roebuck & Co.	62,882.6	85,638.7	(26.6)
8	10	**Kraft foods**, Philip Morris Cos.	55,426.2	49,810.5	11.3
9	18	**Oldsmobile cars & vans**, General Motors Corp.	47,378.6	34,832.7	36.0
10	11	**Pepsi beverages**, PepsiCo	46,271.3	49,116.6	(5.8)
11	8	**Nissan cars & trucks**, Nissan Motor Co.	44,603.1	56,132.9	(20.5)
12	19	**Tylenol remedies**, Johnson & Johnson	44,281.9	34,454.0	28.5
13	12	**Budweiser beers**, Anheuser-Busch Cos.	44,007.1	46,742.1	(5.9)
14	14	**Coca-Cola soft drinks**, Coca-Cola Co.	41,563.3	43,429.2	(4.3)
15	21	**Miller beers**, Philip Morris Cos.	41,506.9	32,679.2	27.0
16	16	**Honda cars, trucks, motorized products**, Honda Motor Co.	41,225.1	38,928.7	5.9
17	26	**Disney parks, movies, TV, video**, Walt Disney Co.	38,647.8	28,714.3	35.3
18	9	**American Express credit cards**, American Express Co.	37,282.4	50,602.1	(26.3)
19	20	**Dodge cars & trucks**, Chrysler Corp.	35,240.7	34,009.4	3.6
20	27	**Columbia movies, records, tapes, video**, Sony Corp.	34,332.1	28,000.2	22.6
21	34	**Nike shoes & apparel**, Nike Inc.	33,419.1	26,404.0	26.6
22	33	**Delta Air Lines**, Delta Air Lines	32,982.9	26,808.4	23.0
23	28	**Pizza Hut restaurants**, PepsiCo	32,719.0	27,831.8	17.6
24	13	**Chrysler cars**, Chrysler Corp.	32,510.6	45,950.0	(29.2)
25	17	**Burger King restaurants**, Grand Metropolitan	31,647.2	38,142.1	(17.0)
26	15	**Mazda cars & trucks**, Mazda Motor Corp.	30,437.0	40,635.5	(25.1)
27	42	**Universal City Studios**, Matsushita Electric Industrial Co.	29,434.5	22,874.1	28.7
28	91	**20th Century Fox videos & movies**, News Corp.	29,000.0	13,618.6	112.9
29	31	**American Airlines**, AMR Corp.	27,553.5	27,068.0	1.8
30	38	**Post cereals**, Philip Morris Cos.	27,054.6	25,266.2	7.1
31	25	**Buick cars**, General Motors Corp.	26,728.9	28,803.0	(7.2)
32	43	**Mercedes-Benz cars**, Daimler-Benz AG	26,388.0	22,090.9	19.5
33	29	**Warner Bros. movies**, Time Warner	25,341.1	28,706.7	(11.7)
34	50	**Kentucky Fried Chicken restaurants**, PepsiCo	25,581.6	20,727.8	23.9
35	40	**Time-Life books, records, videos**, Time Warner	25,553.0	23,627.9	8.1
36	60	**Acura cars**, Honda Motor Co.	24,424.6	18,179.9	34.3
37	53	**Lexus cars**, Toyota Motor Corp.	23,997.3	20,605.5	16.5
38	82	**Cadillac cars**, General Motors Corp.	23,436.6	14,806.5	58.3
39	95	**Hallmark cards**, Hallmark Cards	23,304.4	13,117.3	77.7
40	54	**Wrigley's gums**, Wm. Wrigley Jr. Co.	23,182.6	20,489.6	13.2
41	83	**MCI telephone svcs**, MCI Communications Co.	22,467.3	14,605.7	53.8
42	22	**Macy's stores**, R.H. Macy & Co.	22,379.0	30,833.2	(27.4)
43	48	**Nabisco foods**, RJR Nabisco	22,342.2	20,983.4	6.5
44	56	**General Motors cars**, General Motors Corp.	21,317.6	19,613.1	8.7
45	29	**United Airlines**, UAL Corp.	20,033.0	27,560.2	(27.3)
46	79	**Prudential insurance**, Prudential Insurance Co. of America	21,759.6	15,090.4	44.2
47	32	**Ultra Slim-Fast diet**, Thompson Medical Co.	21,473.3	26,900.8	(20.2)
48	35	**Campbell soups & foods**, Campbell Soup Co.	21,376.1	25,604.1	(16.5)
49	61	**Cheerios cereals**, General Mills	20,951.4	18,144.2	15.5
50	46	**Marlboro cigarettes**, Philip Morris Cos.	20,886.5	21,100.2	(1.0)
51	167	**Orion movies & video**, Orion Pictures Corp.	20,291.0	8,396.3	141.7
52	109	**L'Oreal cosmetics**, Nestle SA	20,133.3	11,680.7	72.4
53	230	**Hallmark Pictures story scenes**, Gateway Educational Products	2[illegible]1.2	264.2	7,504.9
54	51	**Kmart stores**, Kmart Corp.	20,053.8	20,642.8	(3.0)
55	78	**Axion-Nuliner remedies**, Sanofi SA	19,738.4	15,324.3	29.1
56	37	**Gillette shaving products**, Gillette Co.	19,574.7	25,305.8	(22.6)
57	74	**U.S. Sprint telephone svcs**, United Telecommunications	19,328.7	15,531.3	24.4
58	41	**Coors beers**, Adolph Coors Co.	19,213.8	23,530.9	(18.3)
59	30	**Folgers coffee**, Procter & Gamble Co.	19,193.0	27,284.9	(29.6)
60	77	**Circuit City stores**, Circuit City Stores	19,155.1	15,407.9	24.3
61	50	**U.S. dairy products**, U.S. dairy farmers	18,876.2	18,337.3	2.9
62	63	**Wendy's restaurants**, Wendy's International	18,765.7	17,846.4	5.2
63	119	**Mercury cars**, Ford Motor Co.	18,690.3	10,661.8	75.3
64	57	**J.C. Penney's stores**, J.C. Penney Co.	18,519.3	19,350.4	(4.3)
65	49	**Paramount movies & video**, Paramount Communications	18,515.4	20,966.8	(11.7)
66	88	**Franklin Mint**, American Protection Industries	18,513.3	14,156.9	30.8
67	47	**Domino's Pizza restaurants**, Dominos Pizza Inc.	18,481.9	21,046.8	(12.3)
68	68	**Taco Bell restaurants**, PepsiCo	18,246.3	16,219.4	12.5
69	139	**Purina pet foods**, Ralston Purina Co.	18,206.7	9,433.9	93.0
70	23	**Pontiac cars & trucks**, General Motors Corp.	18,086.1	29,901.7	(39.5)
71	94	**Isuzu cars & trucks**, Isuzu Motors	17,498.8	13,148.7	33.1
72	73	**United Parcel Service**, United Parcel Service of America	17,248.2	15,582.6	10.7
73	39	**Marlboro Medium cigs**, Philip Morris Cos.	16,853.7	24,879.3	(32.3)
74	65	**Advil & Coadvil remedies**, American Home Products Corp.	16,443.5	17,615.6	(6.7)
75	62	**Hyundai cars**, Hyundai Group	16,329.0	18,121.7	(9.9)
76	173	**Pillsbury foods**, Grand Metropolitan	16,235.1	8,160.9	98.9
77	98	**Tide laundry products**, Procter & Gamble Co.	16,078.1	12,671.2	26.9
78	150	**Hertz rent-a-car**, Park Ridge Corp.	16,034.2	8,896.5	80.2
79	64	**Chevrolet trucking & small svcs**, Citicorp	15,979.9	17,748.0	(10.0)
80	208	**Del Monte foods**, Del Monte Corp.	15,979.6	6,367.7	150.9
81	45	**Nissan cars**, Fuji Heavy Industries	15,291.8	21,260.9	(28.4)
82	NA	**Saturn cars**, General Motors Corp.	15,267.0	NA	NA
83	93	**Crest dent toothpaste**, Procter & Gamble Co.	14,951.3	13,172.3	13.5
84	75	**Allstate insurance**, Sears, Roebuck & Co.	14,766.2	15,471.6	(4.6)
85	106	**Little Caesar Pizza restaurants**, Little Caesar Enterprises	14,731.8	11,772.4	25.1
86	55	**Hershey candies & foods**, Hershey Foods Corp.	14,699.4	19,899.2	(26.1)
87	67	**Geo cars & trucks**, General Motors Corp.	14,594.4	16,458.1	(11.3)
88	108	**Lucky stores**, American Stores Co.	14,563.6	11,723.5	24.2
89	178	**Florida fruits & juices**, State of Florida	14,258.4	7,687.9	85.5
90	81	**Red Lobster restaurants**, General Mills	14,151.4	14,954.9	(5.4)
91	84	**May Co. stores**, May Department Stores Co.	13,823.9	14,584.4	(5.2)
92	168	**Vons Markets**, Vons Cos.	13,559.9	8,386.9	61.7
93	103	**Plymouth cars & trucks**, Chrysler Corp.	13,461.4	12,026.2	11.9
94	100	**HBO cable TV**, Time Warner	13,141.6	12,534.4	4.8
95	99	**Du Pont carpets, coatings, chemicals**, DuPont & Co.	12,897.5	12,582.1	2.5
96	171	**Reebok sporting footwear**, Reebok International	12,828.4	8,296.6	54.6
97	102	**Dr Pepper and Sprite**, Dr Pepper/Seven-Up Cos.	12,770.9	9,005.9	41.9
98	107	**Newport cigarettes**, Loews Corp.	12,744.6	11,734.4	8.6
99	96	**Royal Caribbean cruise line**, Royal Caribbean Cruise Line	12,728.1	14,207.8	(10.4)
100	161	**State Farm insurance**, State Farm Mutual Auto. Ins. Co.	12,580.7	8,493.5	48.1

Rank '91	Rank '90	Brand, product, service & parent company	Total measured ad spending 1991	1990	% chg
101	69	**Weight Watchers foods & diets**, H.J. Heinz Co.	12,558.2	15,807.3	(20.6)
102	141	**Jeep trucks & vans**, Chrysler Corp.	12,540.4	9,286.4	35.0
103	85	**Tri-Star movies**, Sony Corp.	12,382.9	14,354.0	(13.7)
104	265	**Winston cigarettes**, RJR Nabisco	12,293.0	4,071.7	201.9
105	NA	**Centrum diet drug mix**, American Cyanamid Co.	12,185.5	NA	NA
106	87	**Clairol hair products**, Bristol-Myers Squibb Co.	12,171.6	14,173.3	(14.1)
107	122	**Vaseline products, lotion & soaps products**, Unilever NV	11,978.9	10,559.2	13.4
108	175	**Neutrogena toiletries**, Neutrogena Corp.	11,964.0	7,879.7	51.8
109	193	**Johnsons products, waxes**, S.C. Johnson & Son	11,950.7	6,945.4	72.1
110	201	**Andersen doors & windows**, Andersen Corp.	11,837.5	6,691.2	76.9
111	195	**Continental Airlines**, Continental Airlines Holdings	11,825.0	6,902.6	71.3
112	70	**Mitsubishi cars**, Mitsubishi Motors Corp.	11,776.9	15,789.2	(25.4)
113	72	**Touchstone movies**, Walt Disney Co.	11,605.6	15,615.2	(25.7)
114	127	**Hardee's restaurants**, Imasco Ltd.	11,599.9	10,151.3	14.3
115	140	**Nestle foods**, Nestle SA	11,455.7	9,290.6	23.3
116	144	**Kleenex tissues & diapers**, Kimberly-Clark Corp.	11,322.0	9,120.4	24.1
117	100	**GTE telephone svcs**, GTE Corp.	11,157.5	8,411.2	32.7
118	177	**Excedrin remedies**, Bristol-Myers Squibb Co.	11,149.7	7,776.8	43.4
119	126	**Oil of Olay cosmetics**, Procter & Gamble Co.	11,096.8	10,150.3	9.3
120	183	**Federal Express cargo**, Federal Express Corp.	11,061.1	7,530.5	46.9
121	134	**Total cereal**, General Mills	10,958.1	9,726.5	12.7
122	112	**Midas Muffler shops**, Whitman Corp.	10,955.4	11,097.1	(1.3)
123	116	**Visa credit card svcs**, Visa International	10,911.8	10,808.8	1.0
124	125	**Betty Crocker foods**, General Mills	10,905.2	10,447.3	4.4
125	137	**Clorox cleaners**, Clorox Co.	10,902.3	9,390.8	16.1
126	52	**Montgomery Ward stores**, Montgomery Ward & Co.	10,838.8	20,618.5	(47.4)
127	44	**Stouffers food & hotels**, Nestle SA	10,582.2	21,750.6	(51.3)
128	142	**7UP beverages**, Dr Pepper/Seven-Up Cos.	10,557.8	9,269.2	13.9
129	128	**Lysol cleaners**, Eastman Kodak Co.	10,546.0	10,208.7	3.3
130	58	**Jell-O gelatins & puddings**, Philip Morris Cos.	10,443.3	18,355.6	(43.1)
131	264	**Johnson & Johnson products**, Johnson & Johnson	10,434.1	4,115.8	153.5
132	123	**Crest toothpaste**, Procter & Gamble Co.	10,320.2	10,530.2	(2.0)
133	115	**Tylenol remedies**, Sandoz Ltd.	10,292.0	10,975.3	(7.9)
134	104	**Head & Shoulders hair products**, Procter & Gamble Co.	10,110.6	11,821.5	(14.5)
135	105	**Discover credit card svcs**, Sears, Roebuck & Co.	10,028.5	11,804.6	(15.0)
136	192	**Lipton foods**, Unilever NV	9,993.6	7,044.4	41.9
137	221	**Ziploc food storage bags**, Dow Chemical Co.	9,830.9	5,826.8	68.7
138	130	**NBC TV**, General Electric Co.	9,816.3	10,013.0	(2.0)
139	226	**Bradford Exchange collectibles**, Bradford Exchange	9,815.4	5,660.0	73.4
140	184	**Upjohn drugs**, Upjohn Co.	9,734.6	7,527.4	29.3
141	181	**Keebler cookies & crackers**, United Biscuits (Holdings)	9,693.0	7,633.2	27.0
142	291-	**Kent cigarettes**, Loews Corp.	9,691.5	162.3	5,871.3
143	213	**Alamo rent-a-car**, Alamo Rent-a-Car Inc.	9,651.6	6,099.7	58.2
144	129	**Amtrak passenger rail system**, U.S. Government	9,489.1	10,140.3	(6.4)
145	145	**Holiday Inn hotels**, Bass PLC	9,436.8	9,115.3	3.5
146	36	**Volkswagen cars**, Volkswagen AG	9,366.3	25,374.6	(63.1)
147	146	**Estee Lauder toiletries**, Estee Lauder Inc.	9,365.0	9,061.5	3.3
148	135	**H&R Block tax svcs**, H&R Block Inc.	9,331.5	9,475.8	(1.5)
149	102	**Sports Illustrated magazine**, Time Warner	9,302.8	12,306.3	(24.4)
150	214	**Blue Cross & Blue Shield insurance**	9,290.4	6,092.8	52.5
151	132	**Maalox/Mylanta remedies**, American Home Products Corp.	9,241.7	9,827.6	(6.0)
152	170	**Carnival Cruise Lines**, Carnival Cruise Lines	9,222.8	8,334.4	10.7
153	109	**Volvo cars**, Volvo AB	9,115.2	7,177.7	27.0
154	71	**Pan Am airlines**, Pan American World Airways	9,001.6	15,680.0	(42.6)
155	110	**ABC TV**, Capital Cities/ABC	8,999.9	11,214.1	(19.7)
156	196	**Anacin remedies**, American Home Products Corp.	8,999.6	6,836.7	31.6
157	98	**Banana Republic catalogs**, Mast Inc.	8,952.3	6,458.8	38.6
158	101	**Goodyear tire svcs**, Goodyear Tire & Rubber Co.	8,946.9	12,489.9	(28.4)
159	138	**Bayer Lotion**, Miles Corp.	8,937.7	9,312.8	(4.0)
160	277	**Audi cars**, Volkswagen AG	8,805.9	2,589.8	240.0
161	268	**Mattel toys**, Mattel Inc.	8,791.8	4,338.8	102.6
162	205	**Dimetapp remedies**, American Home Products Corp.	8,673.6	6,550.4	32.4
163	131	**Infiniti cars**, Nissan Motor Co.	8,657.7	9,988.5	(13.3)
164	286	**Xerox electronics**, Xerox Corp.	8,638.9	513.9	1,581.0
165	92	**CBS TV**, CBS Inc.	8,585.0	13,332.7	(35.6)
166	96	**Broadway stores**, Carter Hawley Hale Stores	8,561.9	12,807.0	(33.1)
167	259	**Downy fabric softener**, Procter & Gamble Co.	8,555.7	4,257.5	101.0
168	180	**Tropicana juices**, Seagram Co.	8,485.5	7,646.4	11.0
169	133	**General Foods coffees**, Philip Morris Cos.	8,458.1	9,742.5	(13.2)
170	159	**IBM computers**, IBM Corp.	8,424.4	8,519.6	(1.1)
171	NA	**Listerine remedies**, Warner-Lambert Co.	8,409.9	NA	NA
172	113	**Nutri/System diet**, Nutri/System Inc.	8,[illegible]	11,036.2	(25.7)
173	224	**Blockbuster video stores**, Blockbuster Entertainment Corp.	8,[illegible]	5,725.7	42.8
174	232	**Ralph's food stores**, Ralph's Grocery Co.	8,[illegible]	5,441.2	49.9
175	266	**Maxwell House coffee**, Philip Morris Cos.	8,[illegible]	427.4	1,798.6
176	239	**Bayer aspirin**, Eastman Kodak Co.	8,061.0	5,200.9	55.0
177	240	**Publishers Clearing**, National Syndicate	8,060.1	4,815.3	67.4
178	114	**Pearle Vision Centers**, Grand Metropolitan	8,052.1	11,026.0	(27.0)
179	252	**Contac remedies**, SmithKline Beecham	7,966.7	4,603.8	73.0
180	124	**Virginia Slims cigarettes**, Philip Morris Cos.	7,919.7	10,448.4	(24.2)
181	194	**Public Service broadcast svcs**, Public Television Group	7,885.3	6,939.5	13.6
182	139	**Walgreen Drugstores**, Walgreen Co.	7,859.0	9,298.4	(15.5)
183	188	**Beef for Today Council**, Beef Industry Council	7,844.6	6,807.3	15.2
184	203	**Helene Curtis hair products**, Helene Curtis Industries	7,823.3	6,619.0	18.2
185	149	**Town Values stores**, Cotter & Co.	7,768.8	8,900.8	(12.7)
186	202	**Dristan remedies**, American Home Products Corp.	7,757.5	6,656.8	16.5
187	190	**Rave remedies**, Unilever NV	7,752.4	6,919.6	12.0
188	117	**Kroger stores**, Kroger Co.	7,735.3	10,837.3	(28.6)
189	191	**Softness toothpaste**, Colgate-Palmolive Co.	7,727.1	7,053.3	9.6
190	174	**Triaminic remedies**, Sandoz Ltd.	7,695.8	7,903.7	(2.6)
191	152	**Oxy 10 cleanser**, Procter & Gamble Co.	7,669.3	8,396.3	(8.7)
192	153	**Target stores**, Dayton Hudson Corp.	7,642.9	8,795.8	(13.1)
193	215	**Lucky Strike cigarettes**, Brown & Williamson	7,605.2	5,981.8	27.1
194	169	**Motrin IB pain remedies**, Upjohn Co.	7,588.6	8,347.0	(9.1)
195	253	**Benadryl remedies & antihistamine**, Pfizer & Gamble Co.	7,573.4	4,601.9	64.6
196	198	**Ivory soaps & cleaners**, Procter & Gamble Co.	7,561.2	6,775.3	11.6
197	76	**Bounty paper towels**, Procter & Gamble Co.	7,549.3	15,490.6	(51.3)
198	284	**Birds Eye foods**, Philip Morris Cos.	7,523.0	1,603.8	369.1
199	172	**New Line Cinema movies**, Time Warner	7,521.1	8,100.4	(7.1)
200	185	**Minute Maid beverages**, Coca-Cola Co.	7,390.4	7,492.1	(1.4)

Notes: Dollars are in thousands. Measured media spending includes magazine; Sunday magazine; newspaper; network, spot and syndicated TV; cable TV networks; national spot radio; and network radio. Source: LNA/Arbitron Multi-Media Service. See story on Page 14.

AA chart: Kevin Brown

Publishers pull in reins on circulation

By Ira Teinowitz

The recession and publishers' moves to drop so-called casual readers translated into first-half circulation declines, Audit Bureau of Circulations figures showed.

Donald Kummerfeld, president of the Magazine Publishers of America, said publishers responded to the recession by trimming circulation marketing.

"There is no doubt people are spending less on rate bases as part of their belt tightening. To some extent what you see is a planned decline because people are spending less on subscription acquisition," he said. "On the other hand, circulation response is better than it has been in a long time."

The figures were part of the audit bureau's FAS-FAX report comparing first-half circulation with the same period in 1990.

Only one of the nation's top 10 magazines grew during the first half. *Woman's Day* gained 3.2% to 4,751,977 amid heavy subscription promotion. The magazine added 862,501 subscriptions (a 155.6% increase), more than balancing a loss in single-copy sales.

In the top 20, the numbers were only slightly better. *Playboy* was up 1.8% to 3,498,802; also showing gains were *Newsweek*, up 6.0% to 3,420,167; *People*, up 1.9% to 3,235,120; *Prevention*, up 2.8% to 3,109,562; and *The American Legion Magazine*, up 4.4% to 2,984,389.

Of the top 100 magazines, 46 gained circulation, the audit bureau reported, though the size of losses tended to be larger than the gains.

Publishers noted two newsmagazines were among the titles with gains, and cited interest in the Persian Gulf War as a factor.

"It was just a very tough time," said Mike Boylan, vice chairman of the Enquirer/Star Group, which reported its *National Enquirer* and *Star* both declined in circulation and failed to meet their rate bases. "It was a combination of the war and the recession. My own habits changed tremendously during the war and my attention was diverted."

Newsweek's single-copy sales—while only a small part of the magazine's circulation—rose 25.2% to 222,094. *Time's* single-copy sales were up 25.8%, nearly overcoming efforts the magazine has taken in cutting back on subscription promotions. (*Time's* overall circulation dropped 0.2% to 4,248,565.) *U.S. News & World Report* saw its small single-copy sales grow 15.4%, but overall circulation rise 1.4% to 2,351,922.

One surprise in the report was the relative weakness of some sports magazines. *Sports Illustrated* reported circulation off 1.8% to 3,444,188 and *The Sporting News* said circulation fell 13.5% to 629,494. (Gannett Co. launched rival *Baseball Weekly* on April 5.) *Sport's* circulation fell 3.4% to 908,760.

Sports Illustrated, however, said its decline reflected an attempt to trim the bonus on its 3,150,000 rate base, rather than weakness in the category.

Inside Sports was up 4.5% to 692,304, and a few single-sport magazines did somewhat better.

Magazines with the biggest gains included *Life*, up 11.5% to 1,910,520; *Elle*, up 13.2% to 935,331; *Gourmet*, up 11.3% to 895,256; *Vanity Fair* up 8.7% to 813,881; *Endless Vacation*, up 9.2% to 811,256; *PC/Computing*, up 38.8% to 702,849; *Country America*, up 47.1% to 693,510; and *Sassy*, up 26.3% to 631,767.

Losers included both of Bauer Publishing Co.'s biggest magazines. *First for Women* dropped 13.4% to 2,392,722 while *Woman's World* dropped 11.6% to 1,363,992. The titles failed to meet their respective 2.5 million and 1.5 million rate bases. Among others, *Glamour* was off 9.0% to 2,012,305; *Penthouse* fell 10.3% to 1,501,821; *The Family Handyman* declined 13.9% to 1,150,662; and *Yankee* was down 10.3% to 903,954.

Penthouse's losses left the magazine 25% short of its 2 million rate base, since lowered. *National Enquirer's* 7.8% decline to 3,706,030 left it short of its 4 million rate base, and *Star's* fall of 11.3% to 3,207,951 was below that title's 3.5 million base.

The nation's biggest paid magazine, *Modern Maturity*, reported virtually no growth, a surprise considering its historic pattern of gains. The publication is included in the $5 membership fee for joining the American Association of Retired Persons.

Reader's Digest reported a slight drop with *TV Guide* and *National Geographic* reporting larger decreases. □

BPA's top circulations

Here's how the Business Publications Audit of Circulation's biggest magazines fared in circulation for the first half of 1991 compared with the same period in 1990. Magazines must have been published at least twice during the half year for inclusion.

Rank	Title	Circulation	% chg
1	Disney Channel Magazine	5,250,410	3.5
2	Friendly Exchange	5,101,341	8.3
3	American Baby's Healthy Kids		
	Age 4-10	2,005,058	0.0
	Age birth-3	1,504,938	0.0
4	U., The College Newspaper	1,319,141	(7.5)
5	Expecting	1,259,975	4.1
6	American Baby*	1,171,783	1.4
7	Baby Talk	1,167,417	10.8
8	Health Journal**	1,121,537	1.2
9	Chevy Outdoors	1,102,649	FA
10	Video Event**	1,097,392	FA
11	Fantastic Flyer	1,081,743	FA
12	Price Club Journal	1,061,763	21.3
13	Movies USA	1,[illegible]259	0.1
14	Sports Illustrated for Kids	874,969	3.2
15	PC Magazine**	810,389	6.2
16	Real Estate Today***	787,958	(1.1)
17	Realtor News***	782,683	(2.9)
18	Mickey Mouse Magazine***	718,809	(1.5)
19	Asia Magazine	677,958	(9.5)
20	Careers	601,725	0.1

FA – First audit. *Includes 181,521 paid circulation. **Fully paid. ***Mostly paid. Source: Business Publications Audit of Circulation

Consumer magazine circulation

Circulation of top magazines as reported to the Audit Bureau of Circulations. Figures are for the first half of 1991 as compared in percentage change with the same period in 1990 and are unaudited.

Rank	Publication	Circulation	% chg
1	Modern Maturity	22,450,000	0.0
2	Reader's Digest	16,306,007	(0.6)
3	TV Guide	15,353,982	(3.1)
4	National Geographic	9,921,479	(2.6)
5	Better Homes & Gardens	8,003,263	0.0
6	Family Circle	5,151,534	(0.2)
7	Good Housekeeping	5,028,151	(1.5)
8	McCall's	5,009,358	0.0
9	Ladies' Home Journal	5,002,900	(0.4)
10	Woman's Day	4,751,977	3.2
11	Time	4,248,565	(0.2)
12	Redbook	3,841,866	(2.7)
13	National Enquirer	3,706,030	(7.8)
14	Playboy	3,498,802	1.8
15	Sports Illustrated	3,444,188	(1.8)
16	Newsweek	3,420,167	6.0
17	People	3,235,120	1.9
18	Star	3,207,951	(11.3)
19	Prevention	3,109,562	2.8
20	American Legion Magazine	2,984,389	4.4
21	Cosmopolitan	2,679,356	(1.3)
22	AAA World	2,630,944	6.4
23	Scholastic Teen Network	2,591,130	(4.4)
24	First for Women	2,393,722	(13.4)
25	Southern Living	2,385,058	3.9
26	U.S. News & World Report	2,351,922	1.4
27	Smithsonian	2,204,298	(4.0)
28	Glamour	2,012,305	(9.0)
29	Field & Stream	2,003,041	(0.2)
30	NEA Today	1,980,823	3.4
31	Life	1,910,520	11.5
32	Home & Away	1,893,327	0.6
33	V.F.W. Magazine	1,885,461	1.3
34	Money	1,855,426	(5.3)
35	Ebony	1,836,039	(2.7)
36	Popular Science	1,823,032	0.1
37	Seventeen	1,815,521	6.6
38	Country Living	1,758,487	0.7
39	Parents Magazine	1,737,784	(0.8)
40	1,001 Home Ideas	1,675,243	1.3
41	Discovery	1,661,455	2.5
42	Popular Mechanics	1,638,015	0.3
43	Outdoor Life	1,503,691	(0.2)
44	Penthouse	1,501,821	(10.3)
45	Adventure Road	1,490,680	2.4
46	Soap Opera Digest	1,469,974	5.8
47	The Elks Magazine	1,434,170	(1.7)
48	Boys' Life	1,410,305	(1.7)
49	Golf Digest	1,408,055	3.8
50	Sunset	1,392,691	(0.7)
51	Woman's World	1,363,992	(11.6)
52	New Woman	1,336,639	(1.2)
53	Bon Appetit	1,331,853	(2.9)
54	The American Rifleman	1,329,806	(4.9)
55	US	1,328,442	0.1
56	Globe	1,300,379	(1.1)
57	Vogue	1,235,981	1.3
58	Rolling Stone	1,207,262	2.4
59	The American Hunter	1,205,791	(6.3)
60	Sesame Street Magazine	1,200,690	(5.6)
61	Teen	1,152,865	(0.9)
62	The Family Handyman	1,150,662	(13.9)
63	Self	1,140,928	(2.8)
64	Home Mechanix	1,136,419	(5.6)
65	Golf Magazine	1,126,738	6.4
66	Discover	1,125,357	2.8
67	Changing Times	1,116,437	(5.4)
68	The Workbasket	1,106,910	(10.9)
69	Mademoiselle	1,102,547	(1.5)
70	Travel & Leisure	1,100,651	(1.5)
71	Country Home	1,050,867	8.2
72	Business Week (World Wide)	1,009,415	(1.1)
73	Weight Watchers Magazine	1,006,396	0.4
74	Car & Driver	1,004,291	9.7
75	House Beautiful	1,001,732	7.4
76	Scouting	1,000,805	2.6
77	YM	995,764	(0.4)
78	Organic Gardening	995,265	(3.8)
79	Jet	971,752	4.3
80	Home	946,595	2.3
81	Elle	935,331	13.2
82	Sport	908,760	(3.4)
83	Yankee	903,954	(10.3)
84	Gourmet	895,256	11.3
85	Hot Rod	890,659	(1.6)
86	Motor Trend	887,475	5.3
87	Consumers Digest	874,226	1.8
88	American Legion Aux. Nat'l Ne	863,289	0.7
89	Nation's Business	859,929	0.2
90	Popular Photography	853,338	(14.8)
91	Essence	853,297	0.4
92	Working Woman	849,772	0.9
93	Victoria	836,835	5.8
94	Workbench	835,486	(5.3)
95	National Examiner	830,174	(7.0)
96	Vanity Fair	813,881	8.7
97	American Health	812,672	(6.8)
98	Endless Vacation	811,256	9.2
99	PC Magazine	810,388	6.2
100	Health	810,064	(3.7)
101	Fortune (Worldwide)	802,848	1.1
102	HomeOwner	788,232	1.3
103	Tennis	766,869	2.3
104	Omni	754,500	(18.4)
105	Practical Homeowner	751,077	0.0
106	Shape Magazine	750,655	3.3
107	Forbes	737,768	(0.5)
108	Road & Track	735,301	4.7
109	Weekly World News	730,329	(6.9)
110	Esquire	728,806	(1.5)
111	True Story	726,432	(25.5)
112	VFW Auxiliary Magazine	726,174	1.0
113	Traveler	724,226	(0.2)
114	Conde Nast Traveler	716,216	(5.4)
115	Harper's Bazaar	715,070	1.4
116	PC/Computing	702,849	38.8
117	GQ	700,644	4.0
118	Country America	693,510	47.1
119	Inside Sports	692,304	4.5
120	Working Mother	690,560	15.0
121	Midwest Living	689,028	13.8
122	Decorating Remodeling	668,438	8.2
123	Metropolitan Home	665,642	(5.1)
124	In Health	646,244	34.6
125	Inc.	640,259	0.0
126	Sassy	631,767	26.3
127	Parenting Magazine	631,246	11.1
128	Scientific American	629,563	(1.5)
129	The Sporting News	629,494	(13.5)
130	HG—House & Garden	628,560	1.4
131	Architectural Digest	625,727	(1.0)
132	Traditional Home	622,168	20.9
133	Muscle & Fitness	620,083	(0.5)
134	The New Yorker	615,260	(1.3)
135	Colonial Homes	597,860	3.0
136	Guns & Ammo	591,221	(6.6)
137	Catholic Digest	589,834	0.8
138	New Choices	575,363	(3.3)
139	Flower & Garden	568,586	(3.9)
140	Travel Holiday	567,664	2.5
141	The Rotarian	535,992	1.1
142	Bassmaster Magazine	531,347	(0.4)
143	Stereo Review	525,493	(13.8)
144	Golf Illustrated	519,894	11.4
145	Sierra	518,000	17.2
146	Natural History	515,097	(0.7)
147	Country Music	514,190	10.0
148	The Scottish Rite Journal	511,854	(3.8)
149	Financial World	508,916	1.7
150	Automobile Magazine	508,803	18.8
151	World Tennis	508,779	(0.6)
152	Sports Afield	508,692	(1.0)
153	Premiere	490,868	9.8
154	Byte Magazine	488,602	3.4
155	Pillsbury Classic Cookbooks	481,808	9.4
156	Audubon	470,954	5.2
157	Lear's	470,437	3.8
158	The Saturday Evening Post	470,072	(17.6)
159	The Atlantic	467,230	0.5
160	3-2-1 Contact	461,188	4.5
161	WWF Magazine	454,295	16.8
162	Video	451,055	5.5
163	Runner's World	446,602	1.9
164	Skiing Magazine	445,627	1.2
165	Town & Country	443,920	4.6
166	Ski Magazine	441,886	0.2
167	Car Craft	441,754	(3.2)
168	Insight	439,687	(5.1)
169	The Walking Magazine	431,635	1.8
170	Mirabella	427,199	20.8
171	New York Magazine	425,096	(2.8)
172	California City Group	416,547	(2.0)
173	Success	412,547	(9.4)
174	Game & Fish Magazine	402,245	6.9
175	Men's Health	393,887	61.6
176	Bicycling	386,331	0.2
177	Crafts	381,709	8.3
178	European Travel & Life	374,484	0.5
179	McCall's Needlework & Crafts	373,964	(26.8)
180	Capper's	373,415	(2.6)
181	Sun	370,012	(14.1)
182	Bride's	368,908	(13.3)
183	Satellite Orbit	363,670	10.6
184	Grit	362,853	(19.7)
185	Kentucky Living	362,054	4.3
186	Modern Bride	360,278	21.0
187	Easyriders	351,859	9.4
188	Video Review	350,844	(14.5)
189	Home Office Computing	350,238	(6.7)
190	Computer Shopper	345,765	5.9
191	Outside	345,642	6.3
192	Petersen's Hunting	345,580	2.8
193	Entrepreneur Magazine	342,447	3.1
194	Air & Space/Smithsonian	341,770	7.9
195	The Tennessee Magazine	337,739	4.9
196	MacUser	335,783	9.7
197	Carolina Country	334,603	0.4
198	Kid City Magazine	334,303	2.0
199	Longevity	331,165	17.0
200	Compute	328,306	37.6

Source: Audit Bureau of Circulations

NOTE

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New marketing era for U.S.S.R.

Failed coup spurs hopes for more Western ventures

An Advertising Age roundup

U.S. marketers said *da* to plans for Soviet expansion following last week's failed coup.

Corporate executives expressed hope that reforms expected in the wake of the Soviet people's clamor for democracy and the re-

■ U.S. publishers say Soviet Union now more attractive—Page 36.

turn of President Mikhail Gorbachev—so ably aided by Russian Republic President Boris Yeltsin—would speed Western involvement there.

Marketers "will be encouraged by the last gasp of the regime," said Reuben Mark, chairman-ceo of Colgate-Palmolive Co., which makes and markets toothpaste there through a joint venture with the Soviet government.

Still, most executives agreed it's too soon to tell how the developments will spur further embracing of capitalism.

Last week's coup, in which President Gorbachev was briefly ousted from power, began a nerve-racking 72 hours.

Among the concerns in the U.S. was whether the slow but steady progress by Western marketers, media and ad agencies seeking a toehold in the emerging Soviet market would be derailed or reversed by hard-line Communists who sought to usurp power.

But with the apparent resolution to the crisis by midweek, several executives said they intended to proceed with plans for joint ventures to satisfy the Soviet citizens' cries for more consumer goods.

Among those now attempting to enter the Soviet market through

(Continued on Page 36)

AP/Wide World Photos

A huge Soviet crowd gathers in support of democracy and Russian President Boris Yeltsin.

From coup to champagne

MOSCOW NOTEBOOK

Advertising Age Correspondent Betsy McKay, who's also a senior editor at the Moscow Guardian, recorded events of the tumultuous week in the Soviet capital.

Muscovites tuning in to early-morning TV fare awoke to something different last Monday. Instead of the usual talk shows, similar to "Good Morning America," one of the four channels aired a solemn address to the Soviet people announcing that President Mikhail S. Gorbachev had to step down due to "ill health." The other three channels showed only test patterns.

Moscow Radio carried the same announcement, released by Tass, the official Soviet news agency, at 4 a.m. Moscow time.

The mood was tense, but some city life continued as if nothing unusual were happening. Only blocks from Red Square, street vendors hawked wares from flowers to bubble gum; a long line of shoppers seeking vodka crowded the sidewalk outside a liquor store.

B. McKay

Passers-by gawked at soldiers guarding Red Square, closed to the public that day. And in one telling sign of concern, Soviets on the street were refusing to speak to foreign reporters—re-

(Continued on Page 37)

AN ADMAN'S DIARY

'When it's dangerous, I'll leave'

Michael Adams, an American serving as ceo of Young & Rubicam/Sovero in Moscow, allowed Advertising Age *Correspondent Betsy McKay to keep track of his activities throughout the week of the attempted coup.*

M. Adams

MONDAY: Michael Adams awakes to the voice of a TV broadcaster announcing President Mikhail Gorbachev had stepped down for health reasons. He immediately flips to Cable News Network while he dresses; he gets to his office about 7:30 a.m.

A group ironically called the Freedom Forum (the former Gannett Foundation), including retired Gannett Chairman Al Neuharth, is in town. Mr. Adams had been arranging for a crew to tape an 11:45 a.m. interview scheduled by the group with former Foreign Minister Eduard Shevardnadze.

However, the interview is canceled.

"Shevardnadze was avoiding anything smacking of the press and was squirreled away, trying to get information," Mr. Adams says.

The Freedom Forum people think they should also cancel an afternoon of interviews with Soviet editors because of the logistical difficulties of moving among army tanks in the city and the possibility of put-

(Continued on Page 37)

OTHER NEWS: COMPAQ IN REVIEW; AYER UNITS WANT OUT

Winner could end up with entire $60M account

By Jennifer Lawrence and Christy Fisher

HOUSTON—Compaq Computer Corp. will review its estimated $20 million to $30 million ad account in a three-month process that will include incumbent Ogilvy & Mather.

The review will cover only the company's North American business, not the $30 million international account also held by O&M.

But whoever wins the North American business could be in line for the entire $60 million account, said Kevin Bohren, VP-corporate communications.

"One requirement we will be looking for is global network capabilities," he said. "We would prefer to have one agency around the world; however, it is not a requirement."

Compaq, the No. 3 personal computer marketer in the U.S., has just named J. Walter Thompson Japan, Tokyo, as agency of record in Japan, a market Compaq is entering for the first time.

O&M has no affiliate there, which prompted Compaq to seek an outside agency in a review earlier this summer.

Compaq marketing executives have often credited O&M for contributing to the company's meteoric success in the PC market in the early '80s. O&M linked up with Com-

(Continued on Page 8)

European agencies push for management buyback

By Dagmar Mussey and Jon Lafayette

N W Ayer's European agencies want to buy themselves back from the U.S. parent and form an independent, unified agency network.

If successful, the move would effectively strip the oldest U.S. ad agency of any majority presence in Europe at a time when other leading shops are concentrating on globalization.

A management buyout of the network is now being put together, said Joerg Lathwe-

(Continued on Page 33)

INSIDE

Flash: American Isuzu picks Goodby, Berlin & Silverstein. **Page 8.**

Movie marketing: Disney goes to black media for 'Identity.' **Page 12.**

Magazines: July ad page sales figures from PIB seen as good news for the industry. **Page 23.**

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NEWS SUMMARY

■ **U.S. marketers** expressed hope that reforms expected in the wake of the failed Soviet coup last week will speed Western involvement there. 1

■ **Christopher Whittle,** developer of alternative media, urged advertisers to switch out of traditional media. 3

■ **Pepperidge Farm** said it will boost ad spending at least 50%, following deep ad cuts in the last fiscal year. 3

■ **Network TV daytime** scatter inventory has tightened, with prices rising above upfront rates. 3

■ **Time Inc. Magazine Co.** set up corporate account teams in Detroit, replacing magazine sales reps. 3

■ **Cadillac** aims for younger buyers in its new campaign for its redesigned Seville and Eldorado models. 3

■ **Pampers** advertising from Procter & Gamble plays up the advantages of disposable diapers over cloth. 4

■ **Volvo** and Scali, McCabe, Sloves each paid $150,000 in settling FTC action against a rigged TV commercial. 4

■ **Mazda** said it will start an agency review soon for its Amati luxury car, due on the market in 1994. 4

■ **Philip Morris USA** is upset about the title of the movie "Harley Davidson & the Marlboro Man." 10

■ **Auto marketers** are planning more information on environmental issues in their ads. 11

■ **Retailers** plan an early start for yearend holiday promotions, looking for sales increases of 4% to 7%. 12

■ **Walt Disney Co.** has set extensive promotion to black consumers for the movie "True Identity." 12

■ **Magazine ad pages** declined in July, but some see a bottoming out of a long slide for the industry. 23

■ **Quaker, Europe** President Giulio Malgara said Gatorade will be a big star in Europe, but the company's No. 1 priority there remains pet foods. 26

■ **Apple Computer** will introduce several new products in August, but ads won't bash IBM, now its partner. 26

■ **Hispanic market** in the U.S. will continue to show spectacular growth, speakers said at *Advertising Age's* Marketing to Hispanics conference. 30

■ **Interactive TV** is among the new technologies that can aid advertising, said consultant Jeanie Bergin. 30

■ **Food & Drug Administration** plans tighter regulation of drug advertising and promotion. 32

■ **'Fresh' ad claims** by several advertisers challenged by the FDA are now the subject of class-action lawsuits. 32

■ **Hertz sued** Avis and the publisher of *Corporate Travel* after Avis began advertising its first-place award in the magazine's readership poll. 33

■ **U.S. publishers** may find the Soviet Union more attractive now, but economic turmoil makes them cautious. 36

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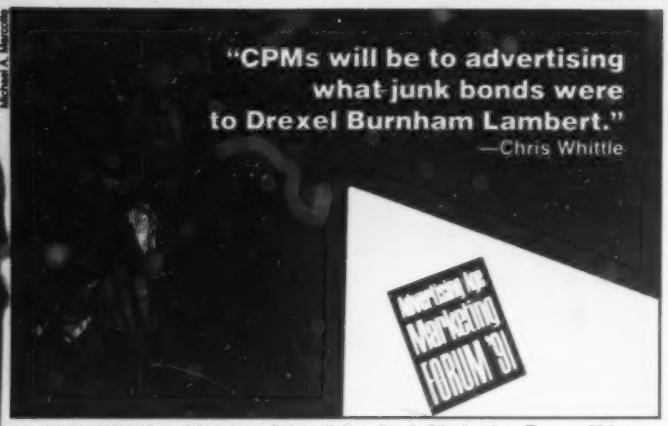
"CPMs will be to advertising what junk bonds were to Drexel Burnham Lambert."
—Chris Whittle
Advertising Age Marketing FORUM '91

Michael A. Marcotte

Chris Whittle addresses *Advertising Age*'s Marketing Forum '91.

Whittle: Future now belongs to new media

By Scott Hume and Kate Fitzgerald

CHICAGO—Admit that traditional advertising media don't work and consider diverting your budget—your whole budget—to the new, non-traditional media.

That was the call to arms sounded last week by Christopher Whittle in a combative keynote address to *Advertising Age's* Marketing Forum '91. But other speakers echoed his contention that marketers and agencies must rethink how best to reach consumers in a changing society and business marketplace.

Mr. Whittle, chairman of Whittle Communications, which has developed a number of targeted alternatives to traditional media, said marketers still try to reach consumers primarily through media such as prime-time network TV because they've developed a dependency, "and like any dependency it's hard to just say no" to it.

That dependency, Mr. Whittle said, has been created by factors divorced from how well those media work. Instead, it's resulted from memories of how those media used to work in the 1950s and 1960s, our happiness with the familiar and the organizations that have been built around using those media.

■ More coverage of Marketing Forum '91—Page 30.

Mr. Whittle also cited media reps, whom he likened to arms dealers who "peddle fear" by suggesting "if you don't do this, you will be destroyed."

The solution he offered is for marketers to "invest in a wide field of new media." Mr. Whittle went so far as to suggest advertisers consider investing their whole budgets in non-traditional media—"It's only risky if you believe the current ways are working."

"Everything should be high-

(Continued on Page 38)

Pepperidge cookin'

Campbell unit to boost ad spending 50%

By Judann Dagnoli

Pepperidge Farm will boost ad spending in fiscal 1992 by at least 50%, a move expected to ease tension between the marketer and longtime ad agency Ogilvy & Mather, New York.

The increase comes after the company slashed ad spending 55.5% in fiscal 1991, a dropoff that sparked a rift between Pepperidge Farm and O&M, and led to rumors the company might renegotiate the agency's compensation (AA, June 24).

Dick Shea, president of the Campbell Soup Co. unit, said ad spending would increase "at least 40% to 50%" to $12 million for the fiscal year that began Aug. 1. The company spent about $8 million in fiscal 1991.

1992 spending could go as high as $16 million, he said.

The Persian Gulf War and the recession prompted first-quarter sales declines for the company's biscuit division and the sharp plunge in ad spending, Mr. Shea said.

He denied any problems with O&M.

"Our relationship with Ogilvy is about as long-term and as stable as any one you can find," he said.

And though Mr. Shea said financial "strains on Ogilvy" were exacerbated by Pepperidge Farm's steep budget slide, the planned spending increase has made the issue moot.

Pepperidge Farm's cutback "was a recognition that in the December-February period, business —for everyone—was terrible," Mr. Shea said.

But he added that to build volume and share, the company's ad spending is now "back on plan"

(Continued on Page 38)

Daytime in demand

Scatter market prices top upfront; nets near sold

By Joe Mandese

In the first sign of a turnaround in the network TV scatter sales market, daytime inventory for the fourth quarter has tightened up as prices rise above upfront rates.

NBC is virtually sold out, and demand for ABC's and CBS' remaining fourth-quarter daytime units is high. ABC is now about 85% sold, while almost 90% of CBS' units are gone.

Network sales executives say the strong demand from daytime advertisers is pushing prices 15% to 25% above upfront costs, while agency buyers maintain the increase is slightly less.

According to consultancy Ephron, Papazian & Ephron's Netcosts report, daytime costs per thousand in the fourth quarter will rise 10% above upfront rates, while CPMs for all other dayparts will drop, well into the double digits.

Prime-time scatter prices will be down 18% from upfront rates in the fourth quarter, Ephron predicts.

The daytime scatter rate increase marks the first time a major network daypart is commanding scatter prices significantly above advance sales rates since

(Continued on Page 33)

Daytime scatter a plus

Network TV prices in scatter market for the 1991-92 season as compared to CPMs in upfront sales, by daypart.

Daypart	4th Q (1991)	1st Q (1992)	2nd Q (1992)	3rd Q (1992)
Mon.-Fri. early a.m.:	-19%	-13%	-5%	-1%
Mon.-Fri. daytime:	+10%	+10%	+12%	+12%
News:	-13%	-13%	-4%	-7%
Prime time:	-18%	-15%	-3%	-7%
Late night:	-14%	-13%	-5%	-9%

Source: Ephron, Papazian & Ephron's Aug. 26 Netcosts report

Graphic by John Hall

"The luxury sedans of Europe and Japan seem to fit my lifestyle better," says a baby boomer in a TV spot before being introduced to the new Seville.

Cadillac takes youthful turn

By Raymond Serafin

Cadillac will use a provocative, confrontational campaign to try to win over import-loving baby boomers for its redesigned Seville and Eldorado models.

"Our goal is to alter the belief among young buyers that Cadillac doesn't make a car for them," said Peter Levin, director of advertising for General Motors Corp.'s flagship division.

The relaunch of the models is "a once-in-a-lifetime opportunity . . . to penetrate the emotional barriers the young affluents have relative to Cadillac," he said.

Division executives view the Seville, priced beginning at $34,975, and Eldorado, priced at $32,470, as the first major products to come out of a January 1987 restructuring that brought marketing, engineering and manufacturing together into one organization.

■ U.S. carmakers eye environmental messages—Page 11.

Cadillac, the luxury car sales leader for more than four decades, built its success by selling traditional luxury cars—better known for chrome than for handling—to an aging buyer base. The new Seville and Eldorado were developed to appeal to performance-oriented younger drivers.

The estimated $25 million campaign breaks Sept. 2 with two 30-second spots on network and cable TV, and will include six-page magazine inserts in a broad range of magazines, national newspaper ads and direct marketing.

The direct marketing effort is aimed at 170,000 prospects who will be offered 8-minute videocassettes of each new car.

The campaign evolved after heavy research by agency D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich., showed Cadillac hadn't made many inroads with affluent buyers under age 45, the

(Continued on Page 38)

Time drops title reps in Detroit

By Scott Donaton

Time Inc. Magazine Co. is eliminating individual magazine sales reps in its Detroit office in favor of new corporate account teams.

Officials of the company, which started a sales staff restructuring in June, say the Detroit action won't be implemented in other offices. They say the move reflects the unique nature of that market, dominated by automotive advertisers.

Richard Heinemann, VP-advertising for Time Inc. Magazine Co., denied Detroit was being used as a test market to determine whether the media giant can eventually switch to a nationwide corporate sales force.

Executives also deny the aim was to reduce staff, though four of the office's 20-plus jobs were eliminated with the move. But the reorganization comes amid rumors of impending layoffs at the Time Warner unit.

The company's key Detroit-based clients are Chrysler Corp., General Motors Corp. and Ford Motor Co., all of which signed multimillion-dollar corporate deals with Time Warner in the past year.

"Sending seven different reps out to these [clients] doesn't make a lot of sense because so much of the business is concentrated."

Other area clients include Volkswagen of America, Kmart Corp., Goodyear Tire & Rubber Co. and Hiram Walker & Sons.

The magazine unit named four group sales directors, each of whom will oversee one automaker and several other accounts. They will report to Jim Graham, regional VP-sales.

The sales directors—Jeff Cor-

(Continued on Page 33)

Magazine ad page leaders

Publishers Information Bureau figures for January through July 1991.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Business Week	1,796.54	(22.3)	108,258,579	(16.1)
2	Forbes	1,698.14	(18.6)	76,356,953	(15.7)
3	Bride's	1,694.61	(4.3)	31,801,752	1.0
4	People	1,659.94	(13.8)	173,215,070	(4.7)
5	Fortune	1,462.39	(22.8)	77,900,062	(14.1)
6	Modern Bride	1,419.60	5.0	22,666,912	1.6
7	TV Guide	1,320.78	(17.3)	155,569,502	(10.0)
8	The Economist	1,304.44	(15.0)	12,360,558	(7.2)
9	Vogue	1,282.28	(11.6)	52,020,330	(3.5)
10	Sports Illustrated	1,178.39	(16.3)	161,596,825	(8.9)
11	Entrepreneur	1,176.06	0.3	12,831,536	14.4
12	New York Magazine	1,158.32	(16.6)	20,055,419	(10.5)
13	Time	1,128.77	(20.5)	170,539,636	(12.6)
14	Cosmopolitan	1,127.26	(7.0)	72,415,664	(0.6)
15	Golf World	1,001.55	(1.6)	8,896,463	8.6
16	Newsweek	1,000.07	(16.4)	117,130,913	(12.0)
17	U.S. News & World Report	970.28	(6.7)	82,857,248	(0.7)
18	Glamour	914.41	(9.0)	49,791,898	(2.7)
19	The New Yorker	892.55	(22.7)	25,033,361	(16.0)
20	Good Housekeeping	877.04	(7.0)	91,890,187	3.3
21	Skin Diver	865.40	(0.5)	8,827,089	7.7
22	Elle	850.85	(23.0)	28,447,655	(13.0)
23	Rolling Stone	850.20	(15.8)	34,509,139	(7.1)
24	Sunset	842.02	(5.0)	25,124,461	(9.4)
25	Ladies' Home Journal	831.92	(1.6)	64,671,361	7.0
26	Muscle & Fitness	830.99	12.9	15,176,794	20.3
27	Family Circle	824.88	(11.6)	71,642,872	(6.1)
28	American Way	820.95	(17.1)	12,273,440	(8.0)
29	Yachting	803.75	(16.2)	5,306,701	(10.8)
30	GQ	771.67	(19.3)	21,259,8[illegible]	(10.8)
31	Travel & Leisure	755.41	(4.4)	31,813,490	(1.8)
32	Golf Digest	752.24	(11.3)	43,949,164	2.3
33	Car & Driver	747.59	3.7	29,468,471	7.2
34	Texas Monthly	745.96	(2.9)	8,595,647	(0.5)
35	Parents	745.86	(6.6)	33,421,673	2.7
36	Popular Photography	739.36	4.8	17,508,485	3.0
37	Better Homes & Gardens	716.25	(1.1)	88,717,752	9.7
38	Mademoiselle	713.37	(12.4)	25,210,092	(6.3)
39	Architectural Digest	699.42	(28.4)	19,910,799	(23.6)
40	Golf Magazine	681.71	(11.1)	25,590,394	1.4
41	Southern Living	678.82	(10.2)	36,140,686	(4.5)
42	Woman's Day	660.71	(20.8)	51,459,956	(14.7)
43	Bicycling	659.89	(8.5)	10,038,138	(0.5)
44	Money	651.29	(8.0)	44,655,411	2.3
45	Vanity Fair	639.87	(7.0)	22,825,575	(6.4)
46	Road & Track	624.68	(2.3)	19,032,875	0.8
47	Salt Water Sportsman	621.14	(18.6)	4,407,231	(10.4)
48	Gourmet	615.25	(11.6)	18,514,735	(0.6)
49	Redbook	598.43	(6.8)	40,095,621	0.0
50	Jet	595.50	(0.3)	10,551,063	4.4
51	Conde Nast Traveler	572.44	(0.7)	17,164,839	6.2
52	Black Enterprise	558.91	1.5	8,266,743	12.4
53	Harper's Bazaar	557.62	(18.3)	16,317,535	(11.7)
54	Ebony	554.47	(11.7)	21,309,664	(3.7)
55	McCall's	549.93	(1.9)	44,292,050	8.3
56	Four Wheeler	541.17	(5.4)	4,965,263	9.6
57	W Magazine	540.21	(23.8)	13,290,187	(18.6)
58	Country Living	523.53	(15.3)	23,865,769	(4.2)
59	Seventeen	522.27	(24.0)	18,516,813	(11.0)
60	Motor Trend	518.04	4.7	20,313,023	11.5
61	Self	514.04	(27.9)	21,341,862	(22.4)
62	Town & Country	508.25	(36.3)	13,993,861	(27.3)
63	Bon Appetit	504.99	(13.9)	16,277,461	(8.2)
64	Reader's Digest	504.53	(18.1)	55,695,583	(14.5)
65	Outside Magazine	497.18	12.9	10,080,150	26.2
66	Inc.	496.11	(16.3)	22,769,876	(6.6)
67	Compute	483.83	NA	4,309,011	NA
68	Smithsonian	481.23	(11.9)	21,509,242	(7.8)
69	HG	476.93	(16.2)	12,922,408	(8.5)
70	Mirabella	475.62	(12.0)	9,905,562	16.6
71	Automobile Magazine	469.34	5.5	12,298,731	46.8
72	Working Woman	466.13	(12.6)	15,538,840	(5.7)
73	San Francisco Focus	464.53	(27.2)	3,238,101	(25.2)
74	Metropolitan Home	464.24	(26.8)	16,732,971	(16.7)
75	Hot Rod	456.90	(5.3)	11,508,740	(0.2)
76	Entertainment Weekly	449.93	0.7	10,765,900	14.9
77	Bassmaster	449.75	(8.3)	9,337,257	(3.9)
78	Delta Sky	444.05	(10.0)	12,606,105	3.5
79	Esquire	438.54	(33.4)	14,554,617	(29.5)
80	Field & Stream	438.06	(6.8)	20,604,779	3.7
81	Outdoor Life	437.23	(6.3)	14,673,057	4.9
82	Sports Afield	430.68	(1.7)	9,019,124	6.1
83	Playboy	428.22	6.6	28,081,270	3.6
84	New Woman	427.73	(18.0)	11,883,635	(7.1)
85	Essence	427.67	(15.6)	12,000,571	(5.4)
86	Penthouse	418.90	13.2	17,206,190	12.7
87	Parenting	416.58	9.8	9,907,063	48.3
88	Tennis	414.44	(5.2)	14,697,976	3.0
89	Popular Mechanics	411.79	(9.5)	14,792,626	1.2
90	Popular Science	410.89	(8.6)	12,672,623	0.1
91	House Beautiful	388.86	(5.5)	16,299,424	9.1
92	Omni	387.81	12.8	10,597,886	(3.0)
93	Yankee	385.80	(9.0)	5,172,072	3.3
94	Premiere	384.97	(12.0)	7,803,525	0.2
95	Shape Magazine	382.30	2.3	6,597,016	(7.1)
96	Working Mother	379.45	(7.2)	9,403,232	(0.6)
97	Financial World	373.39	(36.1)	8,893,489	(37.4)
98	Atlantic	343.57	(6.3)	6,285,924	6.1
99	Art & Antiques	343.47	(27.9)	2,566,684	(6.3)
100	Scientific American	336.36	25.2	8,056,784	14.9

Percent change compares January-July in 1991 with 1990. Source: Publishers Information Bureau.

JULY AD RESULTS

Glee over small gains shows depth of slump

By Scott Donaton

It's a sign of how bad things have gotten for the magazine industry when single-digit ad page declines and minuscule revenue gains sound like good news.

MEDIA WORKS

Publishers Information Bureau reported its member magazines carried 9,538.9 ad pages in July, down 6.8% from the same month last year. Ad revenues totaled $413.5 million, a 0.2% increase.

The figures were interpreted by some as a sign that the ad page slump that began almost two years ago has reached bottom and that the industry may be starting on the long road to recovery.

"Monthly declines in advertising pages and revenue continue to show signs of abatement. This shows the first overall revenue increase since January," said James Guthrie, exec VP-marketing development for the Magazine Publishers of America.

The July performance did little to improve year-to-date figures. Ad pages for the first seven months reached 85,753, down 10.4% from a year ago, while revenues of $3.5 billion were off 4.8%.

Of the top 100 magazines in ad pages, 83 posted ad page declines through July, including nine of the top 10 and 23 of the top 25.

National Sunday magazines, tracked separately by PIB, were not as hard hit. *Parade's* 425.8 January-July ad pages were up 6.9% from the same period last year, while *USA Weekend's* 372.4 ad pages were down 1.5%.

Many of the nation's largest magazines continued to wallow in double-digit declines. *Business Week*, the top title in ad pages, was down 22.3% with 1,796.5 pages. No. 2 *Forbes* was down 18.6% with 1,698.1 pages.

Among leading weeklies, *People, TV Guide, The Economist, Sports Illustrated, New York Magazine, Time, Newsweek* and *The New Yorker* all suffered double-digit losses.

The two top 25 titles with increases through July were both monthlies: *Modern Bride's* pages rose 5% to 1,419.6, while *Entrepreneur* squeaked out a 0.3% gain with 1,176.1 pages.

Magazines aimed at affluent audiences continued to absorb some of the hardest blows, further shattering the myth that upscale titles are recession-proof.

Yachting, with 802.8 ad pages, was down 16.2%. *Travel & Leisure's* pages dipped 4.4% to 755.4. *Architectural Digest* saw pages fall 28.4% to 699.4. *Town & Country's* pages fell a dizzying 36.6% to 508.3. *Bon Appetit* was down 13.9% with 505 pages. *Smithsonian's* 481.2 pages were down 11.9%. And *Art & Antiques*, with 343.5 pages, was down 27.9%.

The women's service field, whose fortunes have soared and sunk several times during the ad downturn, started the summer on a sour note. All of the top seven books in the category were down in pages through July.

Good Housekeeping maintained its lead position despite seeing pages fall 7% to 877. *Ladies' Home Journal* was second with 831.9 pages, down just 1.6%. The others fared as follows: *Family Circle*, 824.9 pages, down 11.6%; *Better Homes & Gardens*, 716.3 pages, down 1.1%; *Woman's Day*, 660.7 pages, down 20.8%; *Redbook*, 598.4 pages, down 6.8%; and *McCall's*, 549.9 pages, down 1.9%.

Top 100 titles with solid gains include: *Muscle & Fitness* (831 pages, up 12.9%); *Outside* (497.2 pages, up 12.9%); *Playboy* (428.2 pages, up 6.8%); *Penthouse* (418.9 pages, up 13.2%); *Parenting* (416.6 pages, up 9.8%); *Omni* (387.8 pages, up 12.8%); and *Scientific American* (336.4 pages, up 25.2%). □

Top 10 magazine ad categories by revenue

Category	1991 revenues	% chg	1991 pages	% chg
Automotive*	$504,759,769	1.4	8,925.7	(5.8)
Toiletries & cosmetics	$365,017,567	(2.4)	7,631.2	(10.2)
Direct response	$315,671,719	8.4	10,429.3	(1.3)
Food	$250,051,688	(7.8)	4,058.8	(14.1)
Business & consumer svcs.	$2[illegible]713,298	(20.5)	6,091.5	(23.6)
Travel, hotels & resorts	$211,738,682	(7.9)	6,489.3	(10.1)
Apparel**	$192,900,061	(6.6)	6,677.7	(8.2)
Cigarettes & tobacco	$157,752,369	(8.6)	2,613.3	(13.9)
Computers & office equip.	$144,658,492	14.4	3,057.2	5.0
Liquor	$112,072,125	(5.8)	2,376.9	(6.4)

The top 10 categories account for 71% of total advertising. Revenue and page figures are from January-July 1991. *Includes accessories and equipment. **Includes footwear and accessories.
Source: Publishers Information Bureau

Sunkist unbottles juices

SHERMAN OAKS, Calif.—Sunkist Growers is introducing Sunkist bottled grapefruit juice and juice cocktail in southern California, continuing a roll-out that began in the Midwest and East Coast last year.

NEW PRODUCTS

Separately, Sunkist expanded a frozen concentrate juice line sold on the West Coast to include grapefruit and lemonade.

The juices are supported with couponing via Foote, Cone & Belding, Los Angeles.

Other new products:

Kraft General Foods' Knudsen division is unveiling in Western markets Knudsen Free Nonfat Sour Cream Alternative, a fat- and cholesterol-free product made from skim milk. To meet state labeling rules, the product will be sold as Knudsen Free Non-fat Sour Cream Substitute in California. TV and magazine ads will support next month via Grey Advertising, Los Angeles. Joseph Potocki & Associates, Irvine, Calif., created coupons.

Personal care

Noxell Corp. next month introduces Noxzema Free shave cream, a fragrance-, dye- and irritant-free formula. Leo Burnett USA, Chicago, handles.

Giorgio is introducing Atina Waterless shaving lotion and Atina Folding Handle, a reusable, twin-cartridge razor. TV and print ads, handled in-house, are planned.

Miscellaneous

Tobin-Hamilton is bringing out its first branded athletic shoes for adults and children, the AAU Stars & Stripes and the Bruce Jenner Signature Gold Medal Series lines. Newmark, Posner & Mitchell, New York, handles print ads, package design and point-of-purchase displays. □

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NAMELAB®

FOR THE RECORD

A U.S. DISTRICT COURT ruling that lets regional Bell operating companies provide information services has been appealed by the American Newspaper Publishers Association, MCI Communications Corp., National Cable Television Association, National Association of Broadcasters and others.

EARLE PALMER BROWN COS., Bethesda, Md., is again challenging the decision to keep the U.S. Marines account at incumbent J. Walter Thompson USA, Atlanta, following a review. The U.S. General Accounting Office this month rejected a protest by EPB, and last week the agency appealed that decision. EPB said the GAO unfairly increased the projected costs of agency personnel needed to service the estimated $15 million to $17 million account.

SCHIEFFELIN & SOMERSET CO., New York, is reviewing its estimated $7 million to $10 million Johnnie Walker Red scotch account. Pitching are Avrett, Free & Ginsberg; Deutsch; Lowe & Partners; McCabe & Co.; and incumbent Smith/Greenland, which keeps Johnnie Walker Black, Tanqueray gin and other assignments.

'NEW YORK POST' owner and real estate developer Peter Kalikow filed for Chapter 11 bankruptcy protection last week. The filing didn't include or have any immediate impact on the *Post*, though the daily could be used as collateral by Mr. Kalikow as he seeks to restructure $350 million in bank loans.

AMERICAN ASSOCIATION of Advertising Agencies last week issued plans for evaluating and improving A.C. Nielsen Co.'s national TV ratings system, which has come under fire. Nielsen and a committee of the Advertising Research Foundation are expected to launch similar, independent initiatives in September. The moves are seen by some observers as a polarization in the ad industry over the best way to evaluate and improve the system.

PERRIER GROUP OF AMERICA reached a settlement with New York state Attorney General Robert Abrams over allegedly "deceptive labeling and other false advertising practices." The bottler, which signed the agreement without admitting wrongdoing, agreed to pay $40,000. The company reached a similar agreement in March with the Federal Trade Commission. Waring & LaRosa, New York, handles Perrier's U.S. account.

PEPSI-COLA CO., Somers, N.Y., named **Tracy-Locke**, Dallas, first agency of record for national marketing promotions. Tracy-Locke had handled a variety of local and regional Pepsi promotions. Its first national effort, a "Monster Match" Halloween promotion for Pepsi and Frito-Lay's Doritos tortilla chips, starts in September.

ANHEUSER-BUSCH brought the Texas portion of its summer Bud Man promotion to an early end last week. The action followed complaints from a competitor that prompted the Texas Alcoholic Beverage Commission to warn A-B its rights to sell in the state might be revoked. S&P Corp.'s Pearl Brewing Co. sued A-B in state court in San Antonio, charging the promotion violates a Texas law that bars alcohol companies from offering giveaways that require a purchase. D'Arcy Masius Benton & Bowles, St. Louis, handles the advertising nationally with Waylon Co. doing sales promotion. A separate sales promotion agency, which A-B declined to identify, apparently handled the Texas promotion.

ALCOHOL MARKETERS have a negative image with the public, which believes the companies' advertising encourages illegal drinking by youths, a study conducted by the Wirthlin Group found. The study was conducted for an alcohol industry group known as the Century Council.

GENERAL MOTORS CORP. and the Texas attorney general's office settled out of court their dispute about GM advertising tied to a national quality award. The ads touted the Cadillac division's winning the 1990 Malcolm Baldrige National Quality Award for manufacturing. GM admitted it erred in claiming to have beaten 167,000 other applicants for the honor, agreed not to make the claim again and agreed to pay the state $10,000 for investigative costs. McCann-Erickson Worldwide, New York, created the corporate ads.

NEW CAMPAIGNS: McDonald's Corp. has broken a broadcast and cable network TV spot for its 91% fat-free McLean Deluxe that features six National Football League players who wear number 91. Leo Burnett USA, Chicago, handles. . . . **National Association of Broadcasters** last week sent member stations three print ads that attempt to rebut a current cable industry campaign blaming broadcasters for possible higher rates. The NAB refused to say whether the campaign was handled in-house or by an agency, or if it might eventually include TV.

ACCOUNT ACTION: Phar-Mor, Youngstown, Ohio, to **Saffer Advertising**, Toronto, from Ketchum Advertising, Pittsburgh, for the drug retailer's $12 million broadcast account. . . . **Madison Square Garden**, New York, to **Burkhardt & Christy** from Grey Entertainment & Media for its $4 million account. . . . **Kroger Food Stores'** Indianapolis region kept **Campbell-Mithun-Esty**, Chicago, as agency for its broadcast ad account after a review.

Hertz piqued at poll

Magazine publisher, rival Avis face lawsuit

By Ira Teinowitz

A *Corporate Travel* poll has put the magazine straight into the line of fire in the rental car wars.

Hertz Corp. on Aug. 19 pulled its ad schedule in the magazine and sued both Gralla Publications, the magazine's publisher, and Avis Inc. after Avis began advertising its first-place award in the poll.

Avis' print ad, in national travel trade magazines, features the headline "Avis. Voted best car rental company" and an Oscar-like statuette. Backer Spielvogel Bates, New York, handles.

Hertz's lawsuit, filed in U.S. District Court in Manhattan, calls the ad "false advertising" and seeks a preliminary injunction barring its use. It also seeks to force Avis to run correction advertising.

Hertz contends in the suit that the magazine failed to use sound survey methodology and that the poll "is not a reliable, valid survey." Avis is trying to portray the survey as scientific, the suit says.

The suit notes that Gralla President Robert N. Boucher Jr. in a June 7 letter told Hertz that the marketing manager who conducted the survey left, and both the ballots and the statistical tabulation of the results are now gone. Mr. Boucher, however, defended the results, saying he had no evidence of impropriety in the tabulation.

Hertz claims the results may be based on a very small sampling.

Avis last week said it's "dismayed" by Hertz's suit.

"The travel industry regularly uses awards as a measure of customer satisfaction," said Russell L. James, VP-corporate communications.

Avis called Hertz's challenge "puzzling."

"What is more regrettable . . . is that Hertz may be rushing to the courtroom rather than to the marketplace to compete," Robert Salerno, senior VP-general manager, said in a company statement. □

Ayer

(Continued from Page 1)

sen, manager and partner of Hamburg-based Wilkens Ayer, 60% owned by Ayer.

Ayer Chairman-CEO Jerry Siano couldn't be reached at press time for comment on the European agencies' plans, and an agency spokeswoman said Ayer's U.S. directors were unaware of the plan.

In Europe, Ayer owns majority stakes in TAPSA Ayer, Madrid (1990 billings of $272.2 million); Wilkens Ayer, Hamburg ($151.2 million); Ayer Ltd., London ($61.9 million); Publinter Ayer, Milan ($54.1 million); and Ayer Nederland, Amstelveen, Netherlands ($18.3 million).

Ayer also has minority stakes in Ayer France, Paris ($169.4 million), and Ayer Portugal, Lisbon ($3.5 million).

"We have no schedule, but I feel that by October or January we may have a new Ayer network," Mr. Lathwesen said.

Some clients in Europe have already been informed about the European agencies' desire to stage a buyback from Ayer, he said.

"Our main clients think an independent European Ayer network is a very good idea," he said.

Ayer's key European clients are Spanish carmaker SEAT and Iberia Air Lines of Spain, handled by TAPSA Ayer in Madrid, and Biersdorf, coordinated through Wilkens Ayer in Germany.

"Some even warned us not to be bought out by another network because this may lead to [client] conflict," Mr. Lathwesen said, adding that his agency's contract with Ayer specifies the shop can't be sold to another network.

An Ayer Nederland executive denied Ayer's Dutch agency is involved; other Ayer country managers couldn't be reached.

Mr. Lathwesen said he and the other shops had discussed the plan with Richard Hedger, who joined Ayer earlier this year as chairman-ceo of Ayer Europe. Mr. Hedger also couldn't be reached for comment.

New York-based Ayer is known to be seeking an agency buyer for a majority stake in its European network or even a minority piece of the agency's U.S. operations. But Mr. Siano insisted earlier last week that Ayer had no plans to pull out of Europe.

Mr. Siano has insisted any deal wouldn't be designed to raise cash for the agency, which he said was profitable both in the U.S. and Europe. Instead, he said, strengthening European operations is a priority.

In the past, Ayer has talked with a number of agencies about possible business combinations, including Japan's Dentsu, France's Eurocom and RSCG Group, the U.K.'s GGT Group, and U.S.-based TBWA, industry sources say.

But those talks have generally broken down over Ayer's unwillingness to give up majority control in the U.S., the region most valuable to a foreign agency.

Ayer has been under financial pressure for more than a year, partly because of debt taken on to make European acquisitions and partly because of account losses going back to Burger King Corp. in 1989. □

Laurel Wentz contributed to this story.

Scatter

(Continued from Page 3)

the network recession began in the fourth quarter of 1990.

"It's the first sign that something is going right somewhere in network TV," said Aaron Cohen, senior VP-executive media director at N W Ayer, New York.

But Mr. Cohen acknowledged the improvement is partially because ratings for daytime programming are down and advertisers need to buy more units to reach the same ratings levels as last year.

Daytime ratings for the Big 3 networks fell 6% during the 1990-91 TV season to a 13.6, according to Nielsen Media Research, and are down about 4% this summer compared with last summer.

Most of those losses have come from ABC and NBC, while CBS has remained flat.

Network executives say daytime ratings have been lost primarily to pay cable networks like Home Box Office.

There's also less daytime program inventory because NBC dropped an hour daily from its daytime schedule.

Mr. Cohen said 1 hour is equivalent to 6% of the Big 3 networks' daytime schedule.

"Does 6% less inventory have enough impact to tighten up the marketplace? Well, it certainly makes people think that they've got to spend their money faster in order to get the inventory they need," he said.

According to Ephron, Papazian & Ephron's estimates, demand for network daytime should continue throughout the 1991-92 season.

Although daytime isn't necessarily a harbinger of improvement in the scatter market for other network dayparts, Ephron predicts demand will also improve for all dayparts in the second half of the broadcast year. Prime-time rates are expected to be down only 3% by the second quarter of 1992, Ephron says. □

Time

(Continued from Page 3)

nish, Jim Herman, Gary Andersen and Tim Hildebrand—will keep their current titles as division managers of *Time*, *Entertainment Weekly*, *Sports Illustrated* and *Fortune*, respectively, but will no longer sell only their individual titles.

The division managers of *People*, *Money* and *Life* will keep those titles, though their primary responsibility will be as corporate account managers reporting to the sales directors.

"They're dedicated to an account rather than a magazine," Mr. Heinemann said. "Sending seven different reps out to these [clients] doesn't make a lot of sense because so much of the business is concentrated, so we decided to focus our selling efforts."

Under the reorganization announced in June, the magazine unit named four regional sales VPs to whom all single-title reps would report. That structure remains in place in the New York, Chicago and Los Angeles offices.

Media buyers say the Detroit move reflects the growing trend toward multimagazine and cross-media packaging.

The nation's automakers were among the first marketers to cut corporate deals with Time Warner. Chrysler, GM and West Coast-based Mazda Motor of America in the past year have signed on for packages valued at $40 million, $80 million and $100 million, respectively. Ford is believed to have signed a multimagazine program. □

NOTE

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Advertising Age

September 2, 1991

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Doing the fast thing

"You've gotta be fast," says director Spike Lee (in red) as he runs with the bulls in Spain in a new :60 for Levi Strauss & Co. It breaks tonight on ABC's "Monday Night Football" via Foote, Cone & Belding, San Francisco.

That holiday 'Hook'

Peter Pan film may fly high with big tie-ins

By Marcy Magiera and Ira Teinowitz

"Hook," a holiday release from Sony Corp.'s entertainment division, is looking like the season's marketing phenomenon.

The Steven Spielberg movie is also shaping up as the first test of the synergies between Sony's hardware and software operations, something highly touted when the Japanese company paid $3.4 billion for Columbia Pictures Entertainment in November 1989.

The film from the Tri-Star Pictures unit has already hooked Mattel as a promotional partner, and Ed Russell, Tri-Star senior VP-publicity, promotion and field operations, said the studio is discussing promotion deals with McDonald's Corp. and Coca-Cola Co.

A McDonald's spokeswoman said she knew of nothing in the company's marketing plans involving "Hook."

If such a tie-in does happen, it will spark a fierce promotional battle among restaurant chains with holiday movie tie-ins. Burger King Corp. earlier joined with Walt Disney Co. to promote "Beauty & the Beast," another holiday release. Pizza Hut will partner with Universal Pictures for a promotion tied to the sequel to "An American Tail."

Promotional deals could add $25 million to $30 million in media exposure to the $10 million to $15 million Tri-Star is likely to spend to advertise "Hook."

The movie stars Robin Williams as the grown-up Peter Pan, who must return to Neverland to rescue his children from the villainous Captain Hook, played by Dustin Hoffman. To succeed, he must recapture his boyhood imagination and spirit, which he does with the help of Julia Roberts'

(Continued on Page 42)

MOVIE MARKETING

Murray Close/Tri-Star

Dustin Hoffman and Robin Williams star in Tri-Star's "Hook."

LAST MINUTE NEWS

$10M Saatchi loss seen

LONDON—Saatchi & Saatchi Co. is expected to announce a loss of close to $10 million for the first half of 1991 when the company's financial results are revealed Sept. 5. Analysts attributed the expected loss largely to high employee severance costs.

Alpha Beta goes to Heil-Brice

LOS ANGELES—Food 4 Less Supermarkets named Heil-Brice Retail Advertising, San Clemente, Calif., to handle its $10 million Alpha Beta division, formerly at Bozell. Irvine-based Cochrane Chase, Livingston & Co. will handle the $6 million Viva, Boys, ABC, Food 4 Less Warehouse and

(Continued on Page 8)

INSIDE

World Brands: Who handles what advertisers where. **Page 25.**

Ad Review: Help Bob Garfield rate the ad. **Page 46.**

$88M review for Nynex?

By Jon Lafayette and Joe Mandese

NEW YORK—Nynex Corp. may be dialing an account review for its $88 million in media buying.

The telecommunications company has been working with consultants to analyze media buying practices, leading to speculation the Baby Bell may consider consolidating the assignment.

Nynex has examined media buying practices for its corporate account to make sure it was being done efficiently, confirmed Matthew Stover, VP-public affairs, corporate communications.

"We have not made any changes," he said. "I wouldn't want to speculate on what we'll do in the future."

One source close to the company said to keep an eye on the Nynex business.

The analysis could extend beyond media assessment to a full agency review.

Nynex spent $88.7 million on measured media advertising in 1990, according to LNA/Arbitron Multi-Media Service.

"It could be bigger than that, depending on what they end up deciding to do," said the source, who indicated the analysis could extend beyond media assessment to a full agency review.

Nynex's media buying is now handled by a wide range of agencies servicing the operating units: Ogilvy & Mather, Young & Rubicam and Chiat/-Day/Mojo, all in New York; Cabot Advertising, Boston; Lohmeyer Simpson, Morristown, N.J.; Schnurr & Jackson, Albany, N.Y.; and Leonard Monahan Lubars & Kelly, Providence, R.I.

Many marketers with multiple agencies have been opting for consoli-

(Continued on Page 42)

'Healthy' frozen foods launch offensive

ConAgra, KGF face off in pizza

By Judann Dagnoli and Julie Liesse

Pizza is shaping up to be the next battleground in "healthy" frozen foods.

ConAgra Frozen Foods' Healthy Choice brand is racing ahead of rival Kraft General Foods' Eating Right for a slice of the $1.2 billion frozen pizza market.

Among regional marketers, McCain Ellio's is introducing a line called Healthy Slices into its markets, which comprise 30% of the country.

The hard-fought battle, however, will likely be between Eating Right and Healthy Choice, which is now introducing a four-item line of french bread pizzas nationally.

Kraft General Foods has yet to start marketing its product.

A company spokeswoman said it's "premature" to discuss Eating Right pizza, though TV spots from Foote, Cone & Belding, Chicago, featuring brand spokeswoman Chris Evert have already been shot.

ConAgra also refused to comment on its pizza, but retail sources say the line contains four varieties: deluxe, pepperoni, Italian turkey sausage and cheese. Each has less than 30% of calories from fat and has less than 330 calories per serving. The suggested retail price for the

(Continued on Page 45)

Le Menu offers taste guarantee

By Judann Dagnoli

In what's believed to be a company first, Campbell Soup Co. is offering a money-back taste guarantee.

The effort breaking today promotes the marketer's Le Menu Healthy line as the best-tasting of consumers' healthy choices in the frozen food segment, specifically comparing the taste of its Herb Roast Chicken to competitors'.

Although ConAgra's top-selling Healthy Choice brand isn't mentioned by name, a commercial shows products with that brand's green packaging.

The spot TV and radio campaign,

(Continued on Page 45)

Campbell says consumers will get their money back if Le Menu's roasted chicken doesn't taste better.

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Charting a new American foreign policy
by Alan Tonelson
WAS THE GULF WAR IN THE NATIONAL INTEREST?
YES, by Joseph S. Nye, Jr.
NO, by Christopher Layne
The Atlantic
WAITING FOR THE WEEKEND
THE INVENTION OF A MODERN INSTITUTION

A magazine for the educated lifestyle

NEWS SUMMARY

■ **Sony Pictures Entertainment** will tie in with a number of other marketers, including several of its sister divisions, to promote the Christmas release of the movie "Hook." **1**

■ **Nynex** may be seeking to consolidate its $88 million in media buying, now handled by several agencies. **1**

■ **Frozen pizza** will soon include "healthy" versions from marketers including ConAgra and Kraft General Foods. **1**

■ **Campbell Soup Co.** is offering a money-back taste guarantee for its Le Menu Healthy line. **1**

■ **Coca-Cola USA** will offer in-pack movie tickets and drink coupons in a major "Ticket to Entertainment" joint promotion with Walt Disney Studios. **3**

■ **Chrysler Corp.** plans an ad budget boost in 1992 to promote three key new vehicle lines. **3**

■ **Insurance companies'** advertising now emphasizes strength to counter negative publicity about the industry. **3**

■ **N W Ayer** agencies in Europe insist that a management buyout is one option to improve their standing, though the U.S. parent dismisses the idea. **3**

■ **Soviet Union** is gaining much interest by U.S. marketers, including Philip Morris and Procter & Gamble. **3**

■ **Burger King** is revamping its marketing team and named Sidney J. Feltenstein to the top marketing post. **4**

■ **McDonald's,** in a diversification move, will test an indoor family playground called Leaps & Bounds. **4**

■ **IBM's Little Tramp** ad character returns tonight in spots for the company's personal computers. **5**

■ **Magazine ad rates** will be up 4% to 6% next year, buyers predict, but they expect most of that to disappear in negotiation and other concessions. **9**

■ **TV networks** are stepping up the use of various off-air promotions for their shows this season. **12**

■ **Cher's** new exercise video will be promoted this winter by CBS/Fox Video and NutraSweet Co's Equal sweetener. **12**

■ **Kraft General Foods** is linking nine brands to Fox Broadcasting's Kids Club magazine, where the products will be featured in an advertorial format. **37**

■ **Apple Computer** and Chevrolet are teamed in a national promotion offering schools computers and other educational equipment in return for test drives. **37**

■ **Mazda** has named five finalist agencies for its $50 million Amati division account; a decision is due early next year. ... **41**

■ **J.C. Penney Co.** reportedly will back away from its fashion department store image and will push value more strongly in new advertising. **42**

■ **General Electric** will try to sell its NBC unit, analysts believe, because of declines in the network TV business. .. **43**

■ **Soviet media** are undergoing basic changes along with the political upheavals in the country. **46**

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ABP MPA ABC CMPA

TV age gap narrows

ABC targets older viewers, tightens ratings race

By Joe Mandese

An already tight prime-time network ratings race will grow even narrower this fall as the age of ABC's audience grows older and closer to that of its rivals.

MEDIA WORKS

A "conservative" fall scheduling strategy by ABC will raise the age of its audience by 1.5 years, to a median age of 36.5, in the fourth quarter, predicted Steve Sternberg, VP-manager of broadcast research at Bozell, New York.

While it will still be the youngest skewing of the Big 3 networks, Mr. Sternberg said, the gap will narrow between the age of ABC's audience and those of CBS and NBC, which will remain virtually unchanged.

He predicted the median audience age of CBS will be 44.5 and NBC will be 41.4.

The Bozell study analyzed the various narrow demographic segments of audience data from Nielsen Media Research to estimate the median age of each network and individual programs. The median age is the point where half the viewers are older and half are younger.

The narrowing of the Big 3's audience composition is significant for network advertisers, because the TV networks are delivering identical household ratings.

ABC, CBS and NBC finished Nielsen's July ratings sweeps in their first ever three-way tie, with each network delivering an 8.7 rating and 17 share.

While each of the networks is predicting it will take the lead this fall, several agencies, including Bozell, expect household ratings parity to continue through the fourth quarter.

As a result, Mr. Sternberg said, the audience composition of each network will play a more important role than ever for marketers.

He attributed the aging of ABC's audience to the network's shift from "innovative and younger-skewing" shows toward a more conservative schedule that will appeal to older viewers.

" 'Thirtysomething' is out, and 'Homefront' is in. 'Homefront' will definitely skew older than 'thirtysomething,' " Mr. Sternberg said, referring to one of ABC's scheduling tactics.

"Homefront" is a post-World War II serial drama about returning soldiers and their families.

Other young-skewing shows canceled by ABC include "China Beach" and "Twin Peaks," whose Saturday night time slots are being filled by "The Young Riders" and "The Commish," both expected to skew older.

Mr. Sternberg said ABC also added to its schedule two reality programs, "FBI: Untold Stories" and "American Detectives." Those shows are predicted to have median ages of 51.4 and 51.5, respectively.

With a median age of 27.8, Fox Broadcasting Co. will have the youngest-skewing audience. Mr. Sternberg predicted that 11 of Fox's 17 shows on its fall schedule will have median ages in the 20s.

With a median age of 21.5, Fox's "Beverly Hills 90210" will have the youngest audience of any network show and CBS' "Murder, She Wrote" will be the oldest, with a median age of 55.9. □

Showing viewers' age

Fall 1991 projections of the median age of viewers for the top 10 shows of the 1990-91 season.

Show	Age
Cheers (NBC)	34.5
60 Minutes (CBS)	54.5
Roseanne (ABC)	31.4
A Different World (NBC)	31.4
The Cosby Show (NBC)	36.3
Murphy Brown (CBS)	41.3
America's Funniest Home Videos (ABC)	32.0
Empty Nest (NBC)	47.6
Designing Women (CBS)	41.4
America's Funniest People (ABC)	31.4

Ranking is based on Nielsen Media Research ratings for Sept. 17, 1990-April 14, 1991. Source: Bozell

MEDIA MIX

News briefs on print, electronic and alternative media.

Ready for takeoff. Following a three-month delay, Turner Broadcasting System last week began testing the Airport Channel, an ad-supported electronic medium in airport departure terminals. Using programming from Turner's Cable News Network, Airport Channel airs news and consumer and travel information; it devotes 30% of airtime to commercials. Advertisers participating in the six-week test include AT&T Co., American Express Travel Related Services Co., GTE Corp., General Motors Corp., Johnson & Johnson, Sears Brand Central and SkyTel. TV monitors are in airports in Cincinnati, Dallas, Denver, Miami, Minneapolis and Washington. Airlines participating in the test include American Airlines, Northwest Airlines, United Airlines and ComAir. The system will be expanded into more airports in 1992 and may add airlines.

Another CNN coup. Following its acclaimed coverage of the Persian Gulf War, Cable News Network topped other media including the Big 3 networks in coverage of the recent attempted coup in the Soviet Union, according to a national survey conducted by Opinion Research Corp. Fully 54% of 398 respondents ranked CNN first for coverage of the Soviet crisis. Nineteen percent named ABC, 15% said NBC and 13% named CBS. The phone survey was conducted Aug. 20 and has a margin of error of plus or minus 4%. CNN reported its highest ratings during the staged Soviet coup since the Persian Gulf War, including a 1.7 rating from Nielsen Media Research for Aug. 20, representing 1.04 million TV households, up from an average daily rating of about 0.5.

Mag gets TV debut. *Gamepro*, a videogame entertainment magazine published by IDGC/Peterborough Publications, on Sept. 28 makes its national debut as a weekly half-hour TV series, running on network affiliates, cable and independent networks. The show, produced by Samuel Goldwyn Co. and hosted by J.D. Roth, will give game tips and strategies for electronic games as well as reviews and news on the latest games and systems. The series is geared toward the nation's 30 million-plus home videogame enthusiasts.

Campuses get kiosks. MarketSource Corp. is introducing InfoSource, ad-supported, interactive kiosks on college campuses. The kiosks offer customized information on academics, sports, news, travel and local dining and entertainment, shown on a computer screen. Movie previews and music videos are featured on a 12-minute continuous video loop, with 4 minutes devoted to commercial time. The kiosks will be installed at 10 major universities this fall and 75 by spring. IBM Corp. is a developing partner and major sponsor. Other charter advertisers include entertainment companies and package-goods marketers including Planters LifeSavers Co. □

NEWSSTAND

Advertising opportunities in print.

Islands, Santa Barbara, Calif., "Annual Caribbean travel planner" special ad section, November/December issue; ad close: Sept. 9. B&w page: $6,155; color page: $7,695.

Life, New York, "Holiday entertaining" special ad section, November issue; ad close: Sept. 9. Color page: $69,820.

People, New York, "Winter travel" special ad section, Nov. 11 issue; ad close: Sept. 9. Color page: $91,165.

W, New York, "WH: The way to live" special ad section, Oct. 14 issue; ad close: Sept. 9. B&w page: $18,300; color page: $23,000.

Alaska Airlines Magazine, Seattle, "The energy thing" special ad section, November issue; ad close: Sept. 10. B&w page: $3,265; color page: $4,180.

Country America, New York, "Holiday cooking," December/-January issue; ad close: Sept. 10. Color page: $39,400.

The Advocate, Los Angeles, "Skincare, fragrances and men's fashion" special section, Oct. 22 issue; ad close: Sept. 11. B&w page: $1,830; color page: $3,165.

Bicycling, Emmaus, Pa., "The 25 most useful cycling tools," December issue; ad close: Sept. 13. B&w page: $11,215; color page: $15,365. □

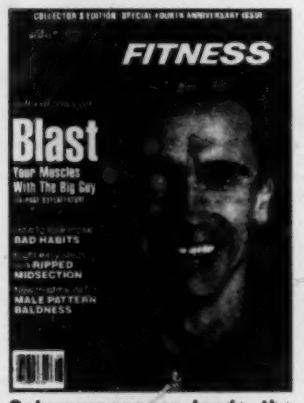
COVER STORY

The Terminator tops covers' face space

By Janice Kelly

Cover Story is a monthly ranking of celebrities' popularity as reflected by their appearance on the covers of more than 30 of the nation's leading publications.

Renaissance man **Arnold Schwarzenegger** beat out all others to win top Cover Story honors for August.



Schwarzenegger leads the class in August covers.

Magazine editors pumped up their coverage of Mr. Schwarzenegger's latest action-thriller "Terminator 2: Judgment Day," his U.S. tour promoting the President's Council on Physical Fitness & Sports and the birth of his second daughter.

While several celebrity and men's publications have carried stories on him, Weider Health & Fitness had Mr. Schwarzenegger doing double duty in August, appearing on the covers of both *Men's Fitness* and *Muscle & Fitness*. Overall, he earned 15 points.

Cover Story assigns point values to cover appearances based on factors including prominence of the photo and frequency of the publication.

Balancing out the Schwarzenegger hype in August was coverage of **Michael Landon**, with 10 points. Entertainment weeklies and supermarket tabloids profiled the actor, who died July 1.

Oprah Winfrey tied for third place with 8 points as supermarket tabloids followed her long-term romance and weight problems. She tied with actor **Keanu Reeves**, who won attention for his films "Point Break" and "Bill & Ted's Bogus Journey."

A three-way tie for fifth place with 7 points involved actresses **Andie MacDowell**, who followed her appearance in the film "Green Card" with two less successful films, "Hudson Hawk" and "Object of Beauty"; **Kathleen Turner**, starring in "V.I. Warshawski"; and **Annette Bening**, who stars in the film "Regarding Henry." Much coverage of Ms. Bening focused on the fact that she's expecting a child with longtime bachelor Warren Beatty.

Elizabeth Taylor and **Patrick Swayze** tied for eighth place with 6 points. Stories on Ms. Taylor discussed her upcoming marriage, while *People* called Mr. Swayze "The Sexiest Man Alive." The actor also won attention for his summer film, "Point Break."

At 10th place with 5 points each were **Julia Roberts, Delta Burke, Prince Charles** and **Princess Diana**.

July's Cover Story lineup included Ms. Roberts (14 points); Mr. Landon (10); **Kiefer Sutherland** (8.5); **Kevin Costner** and **Harrison Ford** (8 each); **Delta Burke** (7); **Sally Field** (6); and **Linda Hamilton, Christian Slater**, Ms. Bening and **Geena Davis** (4 each). □

LAUNCHING PAD

New publication launches.

'Global Production'

Hope Communications, publisher of *Expansion Management*, will introduce with a September issue *Global Production*, an every-other-monthly targeting manufacturing managers of mid- to large-size companies. Controlled circulation for the new title is 25,000. A b&w page is $3,795; a color page is $4,990. Richard Paradise is publisher and ad director; Victoria Cooper is editor. Offices are at 1301 Spruce St., Boulder, Colo. 80302. Phone: (303) 939-8440.

'SV Entertainment'

Playboy Enterprises and Spectradyne launch with an October issue *SV Entertainment*, an entertainment magazine and listings guide tied to Spectravision, Spectradyne's hotel room pay-per-view TV service. The monthly will be distributed in the 750,000 hotel rooms offering Spectravision and will target frequent travelers. Controlled circulation is 500,000. A b&w page is $18,100; a color page is $25,500. James Spanfeller is publisher, Patricia Papangelis is editor and John L. Horan is ad director. Office are at 747 Third Ave., New York 10017. Phone: (212) 702-3958.

'Automotive Marketing'

Chilton Co., a division of Capital Cities/ABC Publishing Cos., will relaunch *Automotive Marketing* with the October issue. A part of the Automotive Aftermarket Group of publications, the monthly magazine will serve the merging automotive jobber and automotive retailer markets. The redesigned magazine will be an easier-to-follow, full-size tabloid, 30% bigger than its magazine size, with enhanced graphics. A b&w page is $6,045; a color page is $8,190. The rates did not go up with the redesign. Sarah Frankson is group publisher, Steve Davis is editor and Lisa Bordy is ad director. Offices are at Chilton Way, Radnor, Pa. 19089. Phone: (215) 964-4426. □

Joe Mandese coordinates MediaWorks.

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BBDO WORLDWIDE

Clients:	The Americas: U.S.	Canada	Argentina	Brazil	Chile	Colombia*	Costa Rica*	Ecuador*	El Salvador	Guatemala	Honduras	Mexico	Peru*	Puerto Rico	Venezuela	Europe: Austria	Belgium	Denmark	Finland	France	Germany	Greece	Hungary	Ireland*	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK	USSR	Yugoslavia*	Middle East: Cyprus	Egypt	Kuwait	Saudi Arabia	U.A.E.	Asia/Pacific: Australia	China	Hong Kong	India	Indonesia	Japan*	Malaysia	New Zealand	Pakistan*	Philippines	Singapore	South Korea*	Taiwan
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Pepsi-Cola	●		●	●	●	●	●	●	●	●	●	●	●			●	●	●	●	●	●			●	●	●	●	●	●	●	●	●		●	●	●	●	●	●											
PepsiCo Foods	●			●														●			●				●			●	●		●			●					●												
Philips NV																		●			●	●		●		●										●				●											
Pizza Hut	●				●																●																		●		●									●	●	
Polaroid	●	●																										●											●		●								●	●	
Reliance Energy Systems							●	●	●	●	●			●						●					●				●																							
Rothmans Intl.																					●					●			●																							
Sara Lee																		●	●		●	●				●	●		●											●									●		
Scott Paper	●													●		●					●								●											●											
Unilever	●	●												●			●				●								●		●	●	●							●											
Visa Intl.	●					●	●								●																									●		●	●		●	●	●	●	●	●	●
Wella				●													●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●							●	●									
Wrigley	●	●																		●	●									●	●	●	●		●		●	●												

*Non-equity affiliation. Source: BBDO Worldwide

LEO BURNETT CO.

Clients:	The Americas: U.S.	Canada	Argentina	Brazil	Chile	Colombia	Costa Rica	Dom. Republic	Guatemala	Mexico	Peru	Puerto Rico	Venezuela	Europe: Belgium	Czechoslovakia	Denmark	Finland*	France	Germany	Greece	Hungary	Italy	Netherlands	Norway	Poland	Portugal	Spain	Switzerland*	Turkey	UK	Middle East: Egypt	Lebanon	Saudi Arabia	U.A.E.	Asia/Pacific: Australia	Hong Kong	India*	Indonesia*	Japan	Malaysia	New Zealand	Philippines	Singapore	South Korea*	Taiwan	Thailand
BASF		●		●	●									●		●		●	●			●	●				●		●						●											●	●
Beiersdorf														●		●	●	●	●	●		●	●	●			●	●																		●	●
Cathay Pacific		●												●		●		●	●			●	●				●		●						●	●	●	●	●	●	●	●	●	●	●	●
Heinz/Starkist	●	●											●					●	●																				●							●
Kellogg	●	●	●	●		●	●	●	●	●		●	●	●		●		●	●			●		●	●		●		●					●	●					●	●	●	●	●	●
Kraft General Foods	●	●												●		●		●	●			●					●		●						●	●						●				
McDonald's	●		●								●					●							●						●	●								●		●		●	●			
Nestle										●								●				●								●																
Philip Morris Cos.	●		●	●	●	●	●	●	●	●		●	●	●		●	●	●				●	●				●	●	●		●	●	●		●	●		●	●			●	●	●	●	●
Pillsbury/Green Giant	●	●			●													●	●																										●		
Procter & Gamble/RVI	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Quaker Oats	●																	●	●																●	●											
Tropicana	●																	●	●			●	●				●		●																		
United Airlines	●									●								●	●										●						●	●											
United Distillers (Guinness)	●																	●	●	●		●							●				●		●	●											

*Non-equity affiliation. Source: Leo Burnett Co.

Agencies adjust to demands of global clients

By Julie Skur Hill

While nothing excites an agency more than gaining a global brand, clients' demands for a consistent image and quality of work are forcing agencies themselves to make adjustments in how they operate.

The opportunity to work on a global brand means "a lot of trade-offs and a lot of new muscles will have to be developed," said Carl Spielvogel, chairman-ceo of New York-based Backer Spielvogel Bates Worldwide, whose agency operates in 39 countries.

In short, global clients are irreversibly changing day-to-day agency business operations as they anticipate more and more global assignments.

Fueling this is the creation of a single market in Europe and the elimination of all trade barriers within the European Community by Dec. 31, 1992. As clients reorganize in Europe, they're increasingly expected to favor using just one agency to handle brands, not just in Europe but globally.

Last year, more than $1.4 billion in pan-European business was assigned, according to a survey by *Advertising Age's Euromarketing* newsletter. The figure comprises 106 accounts worth more than $3 million each. Of the total, at least 80 accounts were new assignments.

"As you look at marketing global brands . . . the brand carries staggering clout with the agency, with the media," said Bruce Mason, chairman-ceo of Foote, Cone & Belding Communications, Chicago. "Smart clients—S.C. Johnson, Kimberly-Clark, Kraft General Foods—recognize that."

He contended that as global brands become more important than ever, they further empower the client. But there's also good news for agencies.

"Once they pick a network, I don't think they're going to change [agencies] very quickly. It takes a while to get an agency to understand your business in 60 countries," Mr. Mason added.

"Clients will not get rid of an agency," he said. "They'll put pressure on the agency to get

(Continued on Page 26)

Who has what accounts where

For the seventh annual *Advertising Age* World Brands report, the following criteria were used:

- Accounts must be served in at least four countries as of June 30, 1991.
- The combined client business must total at least $5 million.

The report is divided into sections. Those agencies listing offices in 34 or more countries overseas—12 of the 26 agencies surveyed—are included in the first section.

Asterisks denote non-equity affiliation. □

Adjusting

(Continued from Page 25)

rid of the people who are causing the problem."

Relationships

Representing a global brand requires "many more touch points [between agency and client] than you'd ever had on local or regional accounts. You might have to talk to 45 different people from the client," said Michael Sennott, exec VP-regional director of Europe at McCann-Erickson Worldwide, New York.

"Part of the bargain you strike [on a global account] is that you get closer to the client," said Frank Clark, senior VP-area director Americas at Grey Advertising.

"What happens is you work both with the headquarters and on a local basis. You end up with two clients and two

"As you look at marketing global brands . . . the brand carries staggering clout with the agency, with the media. Smart clients recognize that."

Bruce Mason
Chairman-ceo
Foote, Cone & Belding Communications
Chicago

levels of client," a situation that can sometimes require diplomacy and sensitivity, he said. "You [may] wind up interpreting the client to the client."

To handle these different levels, several multinational agencies have adjusted their own structures in the past few months.

McCann is consolidating many of its international accounts in Frankfurt, including Bayer, which was previously handled by the Duesseldorf office.

"More clients are using certain markets as lead markets for rolling their products across Europe," Mr. Sennott said. "We're just doing the same."

In July, Saatchi & Saatchi Advertising combined its North American and non-North American operations into one unit, allowing the network to service clients on a seamless worldwide basis.

"We were not exploiting our multinational clients," Chief Executive Robert Louis-Dreyfus said in explaining the change.

Last month, Backer Spielvogel Bates created the BSB Americas Team, a group of experts from various marketing disciplines throughout North America. The mission of the team, similar to the agency's Eurocenter in Paris, is to assist clients in expanding throughout North America as the U.S. moves toward free trade with Canada and Mexico.

"The challenge that we and our clients face is to restructure in a way that we can take advantage of the opportunities in these trading zones," Mr. Spielvogel said.

The agency likes the regional organization so much it's in the process of developing a similar setup for Asia, he added.

Lintas:Worldwide has created the Worldwide Creative Council, the Worldwide Media Council and the Worldwide Integrated Communications Council to bring together specialists within key disciplines from around the world. The three networks have been formed to ensure horizontal communication within Lintas:Worldwide, officially split into three geographic zones—Europe/Africa, the Americas and Asia/Pacific.

Young & Rubicam Advertising recently named Tim Pollak vice chairman-director of client service worldwide, a new post. The former president of Y&R's New York office is responsible for overseeing his agency's 25 worldwide account directors.

"We have to develop people who understand marketing and account management across borders," Mr. Pollak said. "My job is to help guide those people to help them understand the way clients are organized globally . . . [and] create operating efficiencies."

Because global advertising is growing so rapidly, staffers learning how to juggle a 35-country media buy or how to be sensitive to the mores of 20 nations often find the process a trial by fire.

"We now have around 25 employees who we call 'Europlayers,' " who specialize in handling pan-European business, said Grey Duesseldorf CEO Bernd Michael.

Courtship

As clients develop new kinds of relationships, they

(Continued on Page 30)

D'ARCY MASIUS BENTON & BOWLES

Clients:	The Americas					Europe															Asia/Pacific										Saudi Arabia
	U.S.	Canada	Argentina	Mexico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Turkey	UK	Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	South Korea	Thailand		
Abbott Laboratories	●												●				●			●	●										
American Home Products	●										●		●				●			●											
Anheuser-Busch Cos.	●																			●			●								
Bayer		●				●	●				●	●	●		●	●	●			●				●							
Bertelsmann Group							●			●	●		●				●														
Boehringer Ingelheim										●	●									●	●			●							
Boehringer Mannheim	●										●									●				●							
Bristol-Myers Squibb	●									●	●										●	●					●	●			
CPC International	●			●							●		●																●		
Dow Chemical Co.	●	●									●							●		●				●				●			
Eastman Kodak	●																			●	●							●			
Fiat Auto						●	●				●	●					●		●												
Fisons Corp.	●	●											●							●											
Glaxo Inc.											●		●											●				●			
Grand Metropolitan	●	●									●						●											●		●	
Hoechst										●	●		●							●				●							
Hoffmann-LaRoche											●		●			●				●											
Interflora/FTD	●	●																		●	●										
Mars Inc.	●	●		●		●	●	●	●	●	●	●	●	●	●	●	●	●		●		●	●	●				●			
Merck, Sharp & Dohme	●										●							●		●				●							
Nobel Industries						●	●	●		●	●		●	●				●	●	●											
Nokia Inc.				●							●			●						●											
Pfizer Inc.	●										●									●				●							
Philips NV	●	●	●	●	●		●	●	●	●	●		●	●		●		●	●	●	●		●		●			●	●		
Procter & Gamble-RVI	●	●	●	●			●			●	●		●				●	●	●	●		●	●	●	●	●		●	●		
Rhone-Poulenc Rorer							●			●	●		●				●			●			●		●						
Sandoz										●			●				●			●											
Sanofi										●			●							●											
SmithKline Beecham	●									●	●									●				●				●			
United Distillers							●			●	●					●	●			●				●							
Wellcome Foundation										●	●		●				●			●											

Source: D'Arcy Masius Benton & Bowles

DDB NEEDHAM WORLDWIDE

Clients:	The Americas														Europe																					Asia/Pacific									
	U.S.	Canada	Argentina*	Belize*	Brazil*	Chile*	Colombia*	Costa Rica*	El Salvador*	Guatemala*	Honduras*	Mexico	Panama*	Peru*	Venezuela*	Austria	Belgium	Denmark	Finland*	France	Germany	Greece	Hungary	Ireland*	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	Turkey*	UK	Australia	Hong Kong	India*	Japan	Malaysia	New Zealand	Singapore	South Korea*	Taiwan	Thailand
American Airlines	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●				●	●			●	●			●	●	●		●	●	●		●		●				
Arcade																				●	●			●	●			●				●										
Audi	●	●																		●	●			●	●		●	●														
Bayer																●	●			●	●			●	●								●			●						
BSN																				●	●			●				●					●								●	
Boots																																●	●				●				●	
Bristol-Myers Squibb	●	●																		●	●			●				●				●	●			●						
Bull	●															●	●	●		●	●		●	●	●		●	●	●	●		●										
Cadbury Schweppes																	●			●	●			●				●		●		●	●		●							
Chanel	●																			●				●								●				●						
China Airlines	●																																			●			●		●		●
Citicorp																					●									●						●			●			
Columbian Coffee	●	●	●				●																						●													
Fosters																				●	●			●				●	●													
Grundig																●				●							●	●														
Hasbro																●	●			●				●				●											●		●		
H.J. Heinz	●	●														●	●			●	●											●		●		●			●			
Henkel		●													●	●	●			●	●				●		●	●	●		●	●										
Hershey	●	●					●					●								●															●							
Jacobs Suchard																●	●			●	●																					
S.C. Johnson				●												●	●			●	●							●								●						
CPC International																●					●							●														
Marks & Spencer																●				●																						
McDonald's	●							●				●				●				●								●	●													
Michelin	●																																									
Mitsubishi													●	●																												
Mobil	●		●		●		●					●				●					●	●	●	●			●	●		●	●										
Moinlycke																					●	●		●				●													
Oshkosh B'Gosh																●					●			●				●	●												
PepsiCo	●								●																																
Rhone Poulenc (Health Care Div.)																					●										●										
Porsche		●														●	●			●				●																		
Seagram	●														●	●				●	●			●				●	●													
Volkswagen	●	●													●					●	●	●	●	●				●	●			●										

*Non-equity affiliation. Source: DDB Needham Worldwide

FCB PUBLICIS

| Clients: | The Americas | | | | | | | | | | | | | | | | Europe | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | Asia/Pacific | | | | | | | | | | | | | | | | | | |

Multinational shops hoping to pitch Fuji's amateur film account had to meet the marketer's strict requirements. Howell Henry Chaldecott Lury, London, created this ad.

Global

(Continued from Page 26)

make new demands on agencies vying for their accounts.

One such company is Fuji Photo Film Co., now looking for its first multinational agency to handle an estimated $8.4 million in amateur photographic film advertising in France, Germany and the U.K. Fuji had its multinational contenders jumping through hoops never seen by local shops.

Peter Samwell, Fuji's divisional director, London, said the Japanese film marketer decided "it would be too difficult to get three agencies to work together" on a common strategy.

Fuji uses Lintas in Germany, Howell Henry Chaldecott Lury in the U.K. and is between agencies in France.

On July 12, Fuji wrote to nine agencies asking them to pitch the account. Another nine agencies asked to be included in the review, but three shops dropped out because they didn't have wholly owned subsidiaries in the three initial markets.

Fuji's Peter Samwell: "It would be too difficult to get three agencies to work together" on a common strategy.

Each contender was asked to answer a four-page, detailed questionnaire about the agency's background, management, policies, analysis of accounts won and lost in the past year, potential staffing of the Fuji account and experience handling pan-European clients. Agencies working on local Fuji business never underwent so rigorous an exercise.

After Fuji executives pored over the answers, Saatchi & Saatchi Advertising, DDB Needham Worldwide, N W Ayer and Lintas:International were named as finalists.

Pitching for pan-European business "is far more complex and expensive for an agency to do [than local accounts]. It takes triple the time because you have three account teams instead of one. It's more difficult to control. When you are running a pitch in your own country, you know what your people's workloads are. It just becomes much more logistically difficult," said Michael Bray, managing partner and managing director of DDB Needham International, London.

On Aug. 2, the three candidates visited Fuji's continental European headquarters in Duesseldorf to question Fuji's newly formed pan-European ad agency committee that Mr. Samwell chairs.

Presentations will take place in Duesseldorf in the middle of this month with a decision due by the end of September.

Pitching a global client also heats up competition, not only among agencies but within an agency.

When D'Arcy Masius Benton & Bowles pitched the estimated $20 million Australian-based Qantas Airways account, staffers around the world competed to become part of the team representing D'Arcy.

Led by Sydney-based DMB&B/Weekes Morris Osborn, the agency's winning pitch—against McCann-Erickson, Backer Spielvogel Bates' George Patterson Pty. and incumbent Chiat/Day/Mojo—actually involved D'Arcy offices in Tokyo, Singapore, London,

(Continued on Page 32)

GREY ADVERTISING

Clients:	The Americas: U.S.	Canada	Argentina	Barbados*	Brazil*	Chile	Colombia*	Jamaica*	Mexico	Paraguay*	Peru	Puerto Rico	Uruguay	Venezuela	Europe: Austria	Belgium	Czechoslovakia*	Denmark	Finland	France	Germany	Greece*	Hungary*	Italy	Netherlands	Norway	Poland*	Portugal*	Spain	Sweden	Switzerland	Turkey	U.K.	Yugoslavia*	Israel*	Iran (Tehran)*	South Africa	Asia/Pacific: Australia	Hong Kong	India	Indonesia*	Japan	Malaysia	New Zealand	Pakistan*	Philippines	Singapore	South Korea*	Taiwan	Thailand
Armor All															●					●	●			●					●			●																		
BankAmerica	●								●											●	●									●																					
B.A.T					●	●								●			●			●	●			●			●				●		●																	
Bayer															●	●				●	●	●			●	●			●	●			●						●	●	●									
Blendax															●						●										●	●																			
Block Drug	●		●		●							●			●	●		●		●	●		●	●	●		●		●	●	●		●					●	●		●	●		●	●	●				
Boehringer-Ingelheim	●				●											■								●	●					●																				
Boots																																●					●	●	●		●			●					
BP															●	●		●		●	●	●	●	●	●			●		●	●	●	●																	
Bristol-Myers Squibb	●								●			●									●				●					●			●					●				●	●	●						
Cadbury Beverages						●			●		●	●						●																				●												
Canon	●	●													●				●	●	●	●		●	●	●				●	●		●					●						●		●				
Ciba-Geigy	●												●	●																																				
Clairol	●								●			●																																						
Corning			●						●					●	●							●				●	●			●	●								●										●		
CPC International																	●				●											●	●																●		
Emirates Airlines																					●												●						●	●					●	●	●		●	
Gerber	●					●	●																																										
Hewlett-Packard																												●													●		●		●				
IBM	●																				●	●											●		●														
ICI Pharmaceuticals	●																								●								●													●			
IOC	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Johnson & Johnson	●													●																																				
Kraft General Foods	●	●				●						●										●							●																					
Lee															●	●					●	●			●	●				●	●		●																	
Mars	●					●									●	●	●				●	●		●	●	●		●		●			●	●						●										
Mclitta															●	●		●	●	●	●				●					●	●																		
Merck Sharp & Dohme	●								●												●									●								●												
Mitsubishi	●			●		●									●																																			
Nike																					●	●										●							●											
Nissan												●					●	●												●																				
Nokia Mobile Phone																	●	●	●	●		●		●					●	●																			
Noxell	●	●										●									●											●							●					●			●			
Parke-Davis	●	●																			●	●							●				●																
Playtex	●	●																			●				●								●							●										
Procter & Gamble	●	●	●	●	●	●	●	●	●		●	●		●	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●	●	●		●			●	●		●	●	●	●	●	●	●	●	●	●	●
Quincentennial-Istanbul	●																				●			●								●																		
Reckitt & Colman			●																		●											●			●			●					●						
Remington	●	●															●				●											●							●					●			●			
Richardson-Vicks	●							●		●			●			●	●				●	●			●	●				●			●																	
Rorer	●																				●																														
Rothmans																							●										●							●		●								
Samsonite																●					●	●			●					●			●																	
Seagram	●																	●						●	●																								
SlimFast Foods	●	●																			●											●																	
SmithKline Beecham	●	●				●			●			●			●	●		●	●	●	●	●			●	●				●	●		●				●		●			●			●				●
Texaco			●									●	●																																				
3M	●		●																		●	●			●					●			●										●						
Tonka	●														●	●					●	●																												
U.S. Mint	●																					●																											
Volvo																						●										●																	
Warner Bros.	●	●												●	●	●			●		●				●	●				●			●																	
Wrigley																																																	
Wyeth-Ayerst Laboratories	●	●																											●							●													
VP Schickedanz															●	●				●								●																						

*Non-equity affiliation. Source: Grey Advertising

LINTAS:WORLDWIDE

Clients:	The Americas: U.S.	Canada	Argentina	Caribbean*	Chile	Colombia	El Salvador*	Mexico	Panama*	Venezuela*	Europe: Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	Turkey	UK	South Africa	Other Africa***	Asia/Pacific: Australia	Hong Kong	India	Indonesia*	Japan	Malaysia	New Zealand*	Pakistan*	Philippines	Singapore	South Korea*	Taiwan	Thailand
Alitalia																													●	●	●					●						
B.A.T														●		●				●								●			●				●						
Bata					●																							●				●			●						
Bayer			●	●							●					●	●	●	●		●	●			●							●			●	●					
Chefaro				●				●				●	●	●		●	●	●	●				●	●																		
Coca-Cola	●	●	●	●	●	●	●	●			●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●	●		●	●	●	●	●	●	●		●	●	
Corning					●										●	●		●							●	●							●									
Domino's Pizza International	●							●	●						●			●	●							●								●									
Fiat											●			●						●				●																		
General Motors, incl. components	●	●			●											●	●									●																
Heineken												●		●			●	●	●		●	●			●																	
Hertz						●			●							●																	●									
Honda	●											●												●						●	●			●								
IBM	●										●	●	●	●	●	●	●	●	●	●	●	●	●	●																		
ICI		●					●							●												●		●		●	●	●			●	●	●					
Intercontinental Hotels			●			●									●	●																		●								
Johnson & Johnson	●	●		●							●				●	●	●	●		●	●	●		●	●				●	●	●			●		●	●	●	●			
Mastercard-Eurocard	●						●		●			●	●		●														●	●	●		●				●	●				
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Pfizer										●																					●		●	●								
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Philips NV			●		●			●							●			●											●		●											
Quaker Oats			●														●	●															●		●						
Scandinavian Tobacco													●		●				●																						
Seb Tefal	●										●	●			●		●	●																							
Sterling Drug				●	●					●		●	●				●	●		●				●				●		●	●		●		●	●					
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Time Asia																															●			●			●		●	●	
UDG						●			●																	●			●				●								
Unilever	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Wander																	●												●	●	●	●	●		●			●	●	●		

*Non-equity affiliation. **GS&B Lintas, Miami administers the Coca-Cola, Corning, General Motors, Nestlé, Sterling Drug, UDG and Unilever accounts in the Caribbean and Central America. ***Other Africa includes Lintas offices in Cameroon, Ghana, Malawi, Namibia, Nigeria, Zaire and Zimbabwe. Source: Lintas Worldwide

OGILVY & MATHER WORLDWIDE

Clients:	The Americas: U.S.	Canada	Argentina	Brazil	Chile	Colombia	Costa Rica*	Ecuador*	El Salvador*	Guatemala*	Honduras*	Mexico	Panama*	Paraguay*	Uruguay*	Venezuela*	Europe: Austria	Belgium	Denmark	Finland	France	Germany	Greece	Hungary	Ireland	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	Turkey	UK	Africa/Middle East: Bahrain*	Kuwait*	Saudi Arabia*	U.A.E.*	Kenya	South Africa	Asia/Pacific: Australia	China	Hong Kong	India	Indonesia*	Malaysia	New Zealand	Pakistan*	Philippines	Singapore	South Korea	Taiwan	Thailand
A.S. Watson's																																									●										
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AT&T	●							●																	●								●											●						
Abbott Laboratories	●																	●								●																	●							
American Express	●	●	●	●	●	●	●			●		●	●			●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●
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Avon	●			●												●						●																												
B.A.T	●		●	●	●		●		●	●	●	●		●		●		●				●				●					●		●				●	●		●				●			●		
BMW	●																				●																				●					●		●			
Bausch & Lomb				●				●			●																						●							●					●		●			
Bayer							●											●				●			●	●																					●	●			
Boehringer-Ingelheim																					●	●					●																								

(Continued on Page 32)

DUE TO ITS GREATER WIDTH, THE CHART FOR McCANN-ERICKSON APPEARS ON PAGE 33.

Changes

(Continued from Page 30)

New York, Los Angeles and Auckland. A total of about 30 people were brought in from around the world.

Each D'Arcy office in countries where Qantas flies assessed the airline's image in that market. Drawing on its worldwide resources is part of a process the agency has developed to pitch highly desired, broad-based business.

"Once [the research results are] pretty clear, we use some of the best teams to work on executing that concept," said John Ferries, New York-based D'Arcy president for Asia/Pacific and Latin America.

"It's a little competitive but that may be good. Some of that is inevitable," Mr. Ferries said.

For a pitch for Qantas, "we brought [people from the different teams] together in Australia with their ideas and didn't let them go until it was done."

John Ferries
President for Asia/Pacific and Latin America
D'Arcy Masius Benton & Bowles

For the Qantas pitch, after sifting through the best of the creative work from D'Arcy teams around the world, "we brought [people from the different teams] together in Australia with their ideas and didn't let them go until it was done," Mr. Ferries said. "We used people from three different countries in the last two, three weeks to finish the idea.

"This global effort was crucial to our success in winning the account because it ensured that our solution was global, which Qantas wanted; it ensured we incorporated the different target consumer beliefs and behaviors. . . . And it demonstrated how we would work on the account as an integrated global network."

Going "glocal"

The process of developing global creative offers many challenges, such as going for universal appeal while avoiding a simplistic approach.

"There is a difference between addressing the similarities of consumers and going for the lowest common denominator."

Marcio Moreira
Vice chairman
McCann-Erickson Worldwide

"Let me throw a word of caution in," said Marcio Moreira, McCann's vice chairman in New York. "There is a difference between addressing the similarities of consumers and going for the lowest common denominator."

Language barriers and national restrictions, such as laws that allow only those TV ads shot in a particular country, confine creative, but they can be overcome.

"Obviously, it's easier to do all voice-overs—but that doesn't mean it has to be done that way," Grey's Mr. Clark said. "It's harder to sell across a lot of different markets because it gets more people involved, which can mean more changes. In the end, you can have a camel that looks like an elephant. . . . but you can still do great things that run globally."

He cites Coca-Cola Co.'s global ads as outstanding.

These barriers discourage creatives who don't see the rewards that can accompany international efforts. As a result, Saatchi is developing a cash reward system to motivate

(Continued on Page 33)

OGILVY & MATHER WORLDWIDE (cont'd)

Clients:	The Americas														Europe																						Africa/Middle East						Asia/Pacific												
	U.S.	Canada	Argentina	Brazil*	Chile	Colombia	Costa Rica*	Ecuador*	El Salvador*	Guatemala*	Honduras*	Mexico	Panama*	Paraguay*	Uruguay*	Venezuela*	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Hungary	Ireland	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	Turkey	UK	Bahrain*	Kuwait*	Saudi Arabia*	U.A.E.*	Kenya	South Africa	Australia	China	Hong Kong	India	Indonesia*	Malaysia	New Zealand	Pakistan*	Philippines	Singapore	South Korea	Taiwan	Thailand
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Bosch Group	●																				●											●		●																		
Bristol-Myers Squibb		●																			●	●																							●	●						●
British Tourist Authority	●	●															●	●	●	●	●	●			●	●	●	●	●	●		●	●								●		●	●	●		●		●	
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Duracell	●	●								●	●		●				●					●		●									●	●									●						●		
Eastman Kodak	●																																																		●	●	
Federal Express	●																																											●		●					●	
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Marks & Spencer	●																								●		●		●														●								
Mattel	●							●	●			●	●				●				●	●		●				●		●	●		●									●								●	
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PepsiCo	●							●																																												
Philips NV	●		●	●		●		●			●			●			●	●	●	●	●	●	●			●	●	●	●	●	●	●	●	●	●	●	●	●			●	●	●	●	●	●	●	●	●	●	●
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Quaker Oats		●		●																													●																	
Reckitt & Colman							●																●								●																				
Red Cross	●						●																								●																				
Sandoz	●																●						●																												
Sea-Land Service	●																									●																								
Seagram	●	●		●			●	●			●			●	●		●	●			●	●		●	●				●	●		●									●	●	●	●		●	●		●		●
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Singapore Airlines																	●	●	●		●	●				●	●					●										●		●	●			●		●	●
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Tetra Pak											●																																								
Triumph Intl																			●							●	●																								
Unilever	●	●	●	●	●	●	●	●	●	●		●			●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●									●	●	●	●	●	●	●	●	●	●
United Technologies	●																																																		
Warner-Lambert																		●																																		
Westin Hotels & Resorts	●	●																		●											●																				
World Wildlife Fund	●	●															●				●	●		●		●					●											●	●		●					
Xerox	●	●							●								●			●			●				●				●											●		●	●		●	●			●
Zahnradfabrik Friedrichshafen																	●				●					●																		●							

*Non-equity affiliation. Source: Ogilvy & Mather Worldwide

SAATCHI & SAATCHI ADVERTISING WORLDWIDE

Clients:	The Americas												Europe																																					Asia/Pacific															
	U.S.	Canada	Argentina*	Brazil*	Caribbean**	Chile*	Colombia*	Ecuador*	Mexico*	Peru*	Puerto Rico	Venezuela	Austria	Belgium	Czechoslovakia	Denmark	Finland*	France	Germany	Greece*	Hungary	Ireland	Italy	Netherlands	Norway	Poland	Portugal	Spain	Sweden	Switzerland	Turkey*	UK	Yugoslavia	Africa***	Middle East****	Australia	China	Hong Kong	India*	Indonesia	Japan	Malaysia	New Zealand	Pakistan*	Philippines	Singapore	South Korea	Taiwan	Thailand
ABB	●																●	●	●			●							●	●																								
Allied Lyons					●					●			●	●			●	●	●		●	●	●							●		●		●					●	●			●			●					
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British Airways		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
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Cadbury Schweppes	●	●			●	●					●	●					●						●									●		●												●					
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Dow Chemical			●											●		●			●																																		
Du Pont	●																●	●	●	●			●	●				●		●																						
Galileo														●			●	●	●	●		●							●	●		●																				
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Grand Metropolitan	●		●								●	●								●				●					●			●																	●	●	
Guerlain																																																			
Hasbro																	●	●					●	●								●																			
Helene Curtis	●																																																		
Hewlett-Packard	●						●							●	●		●		●	●			●	●	●			●	●	●	●	●																			
Hilton Intl.				●										●				●					●							●																					
Honeywell																		●													●																				
Hutchison																		●													●																				
ICI	●													●				●	●				●							●																					
Johnson & Johnson	●	●			●		●	●		●	●		●	●				●	●	●			●	●						●		●		●																
Karcher														●										●							●																				
LA Gear	●													●		●	●	●	●				●	●	●	●					●																				
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Nestle					●																													●															●			
NZ Dairy Board					●			●																											●																	
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Pfizer	●									●			●	●		●		●	●	●		●	●	●	●			●	●	●		●		●	●																
Philip Morris Cos.	●		●									●		●		●		●	●																																	
Philips NV	●						●				●		●				●		●				●			●																										
Pirelli			●											●				●	●				●	●					●																							
Procter & Gamble	●	●	●		●						●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●			●	●	●	●	●	●	●	●	●	●	●	●	●	●
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Reckitt & Colman					●									●		●	●	●				●	●				●	●				●																				

(Continued on Page 33)

SAATCHI & SAATCHI ADVERTISING WORLDWIDE (cont'd)

Clients:	The Americas: U.S.	Canada	Argentina*	Brazil*	Caribbean**	Chile*	Colombia*	Ecuador*	Mexico*	Peru*	Puerto Rico	Trinidad*	Venezuela	Europe: Austria	Belgium	Czechoslovakia	Denmark	Finland*	France	Germany	Greece*	Hungary	Ireland	Italy	Netherlands	Norway	Poland	Portugal	Spain	Sweden	Switzerland	Turkey*	UK	Yugoslavia	Africa***	Middle East****	Asia/Pacific: Australia	China	Hong Kong	India*	Indonesia*	Japan	Malaysia	New Zealand	Pakistan*	Philippines	Singapore	South Korea	Taiwan	Thailand
Red Cross		●					●													●									●		●		●																	
Salomon	●																						●						●	●	●											●								
Sandoz															●		●			●			●	●				●	●	●	●					●													
Sara Lee	●										●				●				●		●			●	●				●	●			●			●					●			●		●			
Shell					●							●									●															●								●	●				
Shell/Switzerland	●											●									●				●							●																	
Sony					●																									●	●												●						
Stanley Tools																	●	●		●				●	●			●	●				●																
Toyota	●	●									●										●	●														●	●		●		●				●					
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*Non-equity affiliation. **Caribbean includes Barbados, Dominican Republic, Jamaica and Trinidad. ***Africa includes Kenya, Nigeria, South Africa and Zimbabwe. ****Middle East includes Bahrain, Egypt, Morocco and Saudi Arabia. Source: Saatchi & Saatchi Advertising

J. WALTER THOMPSON CO.

Clients:	The Americas: U.S.	Canada	Argentina	Brazil	Chile	Colombia*	Dom. Republic	Ecuador	Guatemala	Mexico	Paraguay	Peru	Puerto Rico	Uruguay*	Venezuela	Europe: Austria	Belgium	Denmark	Finland*	France	Germany	Greece	Ireland	Italy	Netherlands	Norway*	Portugal	Spain	Sweden	Switzerland	Turkey	UK	South Africa	Asia/Pacific: Australia	China	Hong Kong	India*	Indonesia*	Japan	Malaysia	New Zealand	Pakistan*	Philippines	Singapore	South Korea	Sri Lanka	Taiwan	Thailand
Alitalia												●						●			●			●						●	●																			
Allied Lyons		●										●									●											●										●								●	
Bacardi Corp.				●														●	●			●			●			●	●																				
Bell Atlantic	●		●																		●	●		●					●	●		●									●								
Benetton	●	●	●	●	●					●	●		●					●	●	●		●			●	●	●	●	●	●	●		●			●							●	●			●		
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Deutsche Bank																							●	●					●															●			●		
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Exxon				●	●	●	●		●				●											●																									
Ford Motor Co.	●		●				●		●				●									●												●		●									●	●			
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Grand Metropolitan									●						●						●		●							●						●									●			●		
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Nestle	●		●	●	●	●	●			●	●	●		●				●	●		●	●	●	●	●	●			●	●		●			●	●	●	●						●	●	●				
Northern Telecom	●	●								●		●									●											●														●				
PepsiCo		●										●	●	●	●							●	●									●														●				
Philips NV				●	●							●		●									●		●										●			●					●	●		●			
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Rolex Watch	●	●	●	●	●							●		●	●			●	●	●	●		●	●	●	●			●	●				●		●	●								●				
Scott Paper		●								●										●	●	●						●	●								●								●	●			●	
Seagram																	●				●	●															●										●		●		
SmithKline Beecham					●																												●			●	●	●	●				●							
Sterling Drug	●		●	●																					●																									
Tenneco Automotive	●			●					●									●	●	●		●							●	●						●														
Unilever	●	●	●	●	●	●		●	●	●		●	●	●	●			●	●		●	●	●	●	●	●	●	●	●	●	●	●		●		●	●	●	●	●	●	●	●	●	●	●	●	●	
Warner-Lambert	●			●	●	●	●	●	●	●		●	●		●			●	●	●	●				●	●			●	●	●		●			●								●	●			●	●	

*Non-equity affiliation. Source: J. Walter Thompson Co.

YOUNG & RUBICAM

Clients:	The Americas: U.S.	Canada	Argentina	Brazil	Chile	Colombia	Dom. Republic	Guatemala*	Mexico	Puerto Rico	Trinidad*	Uruguay*	Venezuela	Europe: Austria	Belgium	Czechoslovakia	Denmark	Finland	France	Germany	Greece	Hungary	Ireland	Italy	Netherlands	Norway	Poland	Portugal	Spain	Sweden	Switzerland	Turkey	UK	USSR	Africa: Kenya	South Africa	Zambia	Zimbabwe	Asia/Pacific: Australia	China	Hong Kong	India*	Indonesia*	Japan	Malaysia	New Zealand	Philippines	Singapore	South Korea	Taiwan	Thailand
Adidas	●	●	●	●	●				●				●		●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	●			●		●		●		●	●	●	●	●	●		●	●	
Air Canada		●													●					●	●	●									●	●									●			●			●				
American Home Products	●	●							●	●			●		●					●				●	●				●	●																				
AT&T	●	●											●							●				●	●				●		●		●								●	●	●		●		●	●	●	
Booz Allen Consulting	●	●	●																	●	●					●					●	●																		
Bausch & Lomb/Ray-Ban		●	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●						●	●	●	●	●	●	●	●	●	●	●	●	●
BSN	●									●					●					●	●	●			●			●	●				●								●										
Colgate-Palmolive	●	●	●	●	●		●	●		●	●		●		●	●		●	●		●		●		●	●	●	●	●	●	●	●	●		●	●	●	●		●	●	●	●	●	●	●	●		●	●
DuPont	●	●	●	●	●		●			●	●				●					●					●	●			●	●	●		●							●	●	●	●	●	●		●	●	●	●
Eastman Kodak	●	●						●							●	●		●	●	●		●		●		●									●					●										
Ford	●	●																	●		●						●					●			●															
Grand Metropolitan																						●					●	●																		●				
H.J. Heinz															●									●					●								●													
Holiday Inn	●	●							●						●																										●	●			●			●		●
Jacobs Suchard			●												●	●		●		●	●	●			●	●			●		●										●	●			●		●			
Johnson & Johnson	●	●	●	●	●		●		●		●				●	●					●	●			●	●		●	●	●	●	●				●					●								
Kentucky Fried Chicken	●	●			●			●	●	●					●					●									●												●	●	●	●	●	●		●	●	
Kraft General Foods	●	●		●					●						●		●	●	●			●	●			●	●	●		●												●		●					
Monsanto/Searle	●								●				●				●	●		●							●	●															●							
Motorola	●														●			●		●	●			●			●			●																				
PepsiCo Foods Intl.			●		●				●	●					●							●			●			●	●			●	●																●
Pernod-Ricard															●					●				●																										
Quaker Oats			●												●			●						●	●																										
Reckitt & Colman				●			●			●			●		●			●				●		●	●				●			●																		
Robert Bosch															●	●		●		●	●	●			●			●	●	●	●					●														
Royal Canadian Mint	●	●																		●																															
Sony									●				●					●							●																										●
Unisys	●	●	●	●	●				●	●			●		●	●			●	●		●	●		●	●	●	●		●		●			●					●	●	●	●		●		●			
United Tel. Fl. Banks													●		●	●		●	●	●		●			●		●			●					●						●			●			●			●
Warner-Lambert	●				●		●								●																					●									●					●
Xerox	●	●		●			●								●	●		●	●	●			●	●				●	●	●	●	●					●													

*Non-equity affiliation. Y&R uses the Dentsu, Young & Rubicam network for all countries in the Pacific region except Australia and New Zealand. Source: Young & Rubicam

McCANN-ERICKSON WORLDWIDE

| Clients: | The Americas: U.S. | Canada | Argentina | Barbados | Bolivia* | Brazil | Chile | Colombia | Costa Rica | Dom. Republic | Ecuador | El Salvador | Guadeloupe* | Guatemala | Honduras | Jamaica | Mexico | Panama | Paraguay* | Peru | Puerto Rico | Trinidad | Uruguay | Venezuela | Europe: Austria | Belgium | Czechoslovakia | Denmark | Finland | France | Germany | Greece | Hungary | Ireland | Italy | Netherlands | Norway | Poland | Portugal | Spain | Sweden | Switzerland | Turkey | UK | USSR | Yugoslavia | Africa/Middle East: Bahrain* | Cameroon* | Egypt* | Ivory Coast* | Kenya | Kuwait* | Lebanon* | Morocco | Nigeria* | Oman* | Saudi Arabia* | South Africa | U.A.E.* | Asia/Pacific: Australia | China | Hong Kong | India | Indonesia* | Japan | Malaysia | New Zealand | Pakistan* | Philippines | Singapore | South Korea | Taiwan | Thailand |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---

McCANN-ERICKSON WORLDWIDE (cont'd)

| Clients: | The Americas: U.S. | Canada | Argentina | Barbados | Bolivia* | Brazil | Chile | Colombia | Costa Rica | Dom. Republic | Ecuador | El Salvador | Guadeloupe* | Guatemala | Honduras | Jamaica | Mexico | Panama | Paraguay* | Peru | Puerto Rico | Trinidad | Uruguay | Venezuela | Europe: Austria | Belgium | Czechoslovakia | Denmark | Finland | France | Germany | Greece | Hungary | Ireland | Italy | Netherlands | Norway | Poland | Portugal | Spain | Sweden | Switzerland | Turkey | UK | USSR | Yugoslavia | Africa/Middle East: Bahrain* | Cameroon* | Egypt* | Ivory Coast* | Kenya* | Kuwait* | Lebanon* | Morocco | Nigeria* | Oman* | Saudi Arabia* | South Africa | U.A.E.* | Asia/Pacific: Australia | China | Hong Kong | India | Indonesia* | Japan | Malaysia | New Zealand | Pakistan* | Philippines | Singapore | South Korea | Taiwan | Thailand |
|---|---|---

INTERNATIONAL: WORLD BRANDS

LOWE INTERNATIONAL

Clients:	U.S.	Canada	Argentina*	Austria	Belgium	Denmark*	Finland*	France	Germany	Greece*	Italy	Netherlands	Norway*	Portugal*	Spain	Sweden*	Switzerland	UK	Australia*	Hong Kong*	Japan*	Singapore*
Avis				●	●	●	●	●	●	●	●	●	●	●	●	●	●	●				
Benetton (Sisley)	●	●	●	●		●	●	●	●	●	●	●		●	●	●		●	●	●	●	●
Bols					●				●	●		●	●			●		●				
Braun	●									●		●				●						
General Motors				●	●					●								●				
Henkel				●	●				●	●		●	●	●								
Hoover					●				●	●		●					●					
Johnson & Johnson	●										●	●				●						
Quaker									●	●		●	●			●						
Tahoe Biosciences	●				●				●	●							●	●				
Varta		●			●						●		●									

*Non-equity affiliation. Source: Lowe International

ROUX SEGUELA CAYZAC & GOUDARD

Clients:	U.S.	Canada	Austria	Belgium	France	Germany	Greece	Hungary	Italy	Netherlands	Portugal	Spain	Sweden	Switzerland	UK	Morocco	Saudi Arabia
Cartier					●	●				●		●			●		
Citroen			●	●	●	●			●	●	●	●		●	●	●	●
Club Mediterranee			●	●	●	●			●			●		●	●		
Moulinex			●	●	●			●	●							●	

(Continued in next column)

ROUX SEGUELA CAYZAC & GOUDARD (cont'd)

Clients:	U.S.	Canada	Austria	Belgium	France	Germany	Greece	Hungary	Italy	Netherlands	Portugal	Spain	Sweden	Switzerland	UK	Morocco	Saudi Arabia
Procter & Gamble	●	●				●				●	●		●		●		
Tambrands			●	●	●	●	●		●	●	●	●	●	●	●		

Note: For some clients, RSCG handles creative work in Paris, but media is placed by the client in other countries. Clients and countries involved are **Cartier** in the U.S., Austria, Belgium, Italy, Spain, Switzerland, Australia, Japan, Hong Kong, Singapore and Thailand; **Citroen** in Denmark, Greece, Norway, Portugal and Sweden; **Guerlain** in the U.S., Canada, Mexico, Austria, Belgium, Germany, Greece, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, U.K., Saudi Arabia, Australia, Japan, Hong Kong, New Zealand, Singapore and Thailand; **Piaget** in Canada, Argentina, Brazil, Mexico, Venezuela, Austria, Denmark, Greece, Portugal, Spain, Switzerland, U.K., Saudi Arabia, Japan, Hong Kong and Singapore; **Tambrands** in Demark; and **Bel** in Japan, and also RSCG offices in France, Morocco and Saudi Arabia. Source: Roux Seguela Cayzac & Goudard

TBWA

Clients:	U.S.	Austria	Belgium	Denmark	France	Germany	Greece	Italy	Netherlands	Spain	Sweden	Switzerland	UK	Japan*
Absolut Vodka	●				●	●							●	●
Barilla				●	●	●	●			●	●	●		
Beiersdorf	●			●	●	●	●	●				●		
Bosch			●			●		●				●		
BSN	●				●	●		●					●	●
Colony				●	●	●							●	
Henkel				●		●	●		●	●	●			
Intercontinental					●	●		●					●	
Nissan									●	●				
Philip Morris					●	●			●				●	
TAT Airlines					●	●		●				●	●	

*Non-equity affiliation. Nissan's pan-European account in 12 countries is serviced from the Netherlands. Source: TBWA

Leo Burnett International had to adapt Tony the Tiger for Japanese audiences.

Global

(Continued from Page 33)

to each market. TBWA clients Henkel, Philip Morris Cos. and Beiersdorf's Nivea have adopted this approach.

Even big ideas that eventually expand around the world may be tested for local reaction.

Leo Burnett International has slowly gone global with major ad symbols such as the Marlboro Man and Tony the Tiger after careful testing in each market around the world.

"Creative can't just be clones of what's used in other markets," said Hank Feeley, chairman-ceo. "It could be a terrible mistake. The client could lose sales, and then you'd lose the client."

H.J. Heinz Co. ketchup ads have needed adjustment before running in Japan.

"We found the ads [first created for the U.S.] were too Americana. . . . The 'slower, thicker ketchup' theme works in Japan but the execution of that theme is very, very different," Mr. Feeley said.

McCann sees local adaptations as a way to motivate creatives.

"We take 'not invented here' and now make it 'improved here,' " Mr. Moreira said.

If the local agency sees a way to alter an ad for the local market, he added, not only has the ad been tailored to better fit the market, "this creates a sense of co-authorship." □

Contributing to this story: Elena Bowes, Bruce Crumley, Geoffrey Lee Martin and Dagmar Mussey.

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That's Advertainment!

Super agent Michael Ovitz and his Creative Artists Agency will be able to package some of their 600 clients (including, from bottom left: Kevin Costner, Cher and Tom Cruise) in promotional partnerships with Coca-Cola Co.

Photos clockwise from top: Smeal/Ron Galella, MGM/UA, Metro-Goldwyn-Mayer, Greg Gorman/Orion Pictures

Nintendo fires up videogame attack

By Cleveland Horton and Kate Fitzgerald

Nintendo of America over the weekend kicked off the biggest TV campaign in its history in a bold move to permanently zap competitors.

The commercials are for the long-awaited Nintendo Super NES 16-bit videogame system, where Nintendo has lagged.

With a $25 million ad budget for the new game plus another $10 million for the original 8-bit videogame console and the handheld Game Boy, Nintendo is moving maximum artillery to the front lines for a fall videogame assault.

In Nintendo's sights is Sega of America, for now the No. 1 marketer of 16-bit videogame systems with its Genesis model, introduced in 1989. Analysts say its tenure at the top of the category will be short-lived.

Nintendo is deploying its Super Mario Brothers against Sega's Hedgehog in the battle of the 16-bit videogame systems.

"Sega's very existence is at stake, now that Nintendo's finally gotten into the 16-bit market," said Allen Bohbot, president of toy media buying agency Bohbot Communications. "The power of the Nintendo name is redefining the market again."

Toy retailers report early demand for Nintendo's Super NES, even before advertising appeared, was significantly higher than expected; major retailers including Toys "R" Us are predicting a sellout.

"Right now Super NES is the

(Continued on Page 45)

Whittle's new gamble

Mall showrooms give feel of auto test drives

By Scott Donaton

Whittle Communications is looking to the nation's auto marketers to support a new venture called Highway One, a chain of showrooms where consumers can take a simulated in-store test drive.

The project is one of several moves planned by Whittle following an agreement last week by Forstmann Little & Co. to invest $350 million for a one-third stake in the media company.

Details about Highway One are sketchy, but Whittle sources say the company will begin testing the shopping mall operation this fall.

Consumers will be able to sit in cars and experience a simulated test drive using "electronic kiosks" developed by Whittle, these sources say.

It wasn't clear whether the stores will sell cars or simply direct buyers to the nearest dealers. It also was unclear if they would feature competing brands.

The Whittle sources say Mr. Whittle initially is seeking the support of domestic auto marketers and recently met with Chrysler Corp. Chairman Lee Iacocca.

They indicated he may have already secured a commitment from at least one car company to participate in the test.

A Chrysler spokeswoman confirmed the company had been approached about the project and was considering participating in it.

Whittle officials wouldn't comment.

The project is being developed under Vice Chairman Gerry Hogan, and sources said Highway One will cost upwards of $200 million to launch.

"We have a number of major capital-intensive launches planned," said Whittle Vice Chairman Alan Greenberg of the Forstmann Little investment.

"This gives us the money to fuel our growth," he said.

Last week, Whittle also met with marketers and ad agency executives to outline a plan to re-

(Continued on Page 43)

Coke-CAA deal shakes agency role

An Ad Age roundup

The advertising agency business, dwindling in importance to clients and suffering from the recession, took another big blow last week.

Soft-drink giant Coca-Cola Co. named Creative Artists Agency—the most powerful Hollywood talent agency—as "worldwide media and communications consultant."

Coca-Cola said in a statement CAA will work with company executives and agencies to develop "global strategies for marketing, promotion, new technologies, sports, arts and entertainment."

Despite assurances to the contrary from Coca-Cola executives, the broad mission of CAA and its well-known chairman, Michael Ovitz, appears to significantly erode the dominant marketing role historically played by the marketer's ad agencies.

Mr. Ovitz's agency handles superstars such as Kevin Costner,

(Continued on Page 44)

Coke goes Hollywood

By Alison Fahey and Jon Lafayette

Coca-Cola Co. will likely use its new alliance with Creative Artists Agency to go after younger consumers, attacking Pepsi-Cola Co.'s dominance in entertainment marketing and its place in pop culture.

To do that, the cola marketer is expected to use CAA's extensive clout and entertainment experience to develop marketing strategies ranging from product placement in TV shows and films to new celebrity endorsements.

One marketing idea being

(Continued on Page 44)

LAST MINUTE NEWS

No Nonsense in review?

GREENSBORO, N.C.—No Nonsense Pantyhose is talking to agencies about its $10 million to $20 million account, now at Foote, Cone & Belding, Chicago, agency sources said. No Nonsense VP-Marketing Tom Kuhn denied the account was in review.

Fallon gets share of Northwest

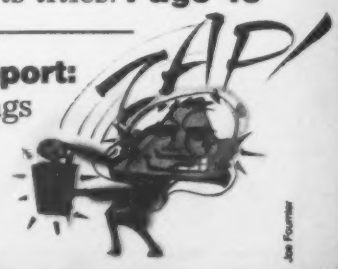
EAGAN, Minn.—Northwest Airlines awarded Fallon McElligott, Minneapolis, creative for the $5 million to $7 million corporate and Midwest hub portion of its account. The move comes just six weeks after McElligott Wright Morrison White, Minneapolis, got that business when the airline named four

(Continued on Page 8)

INSIDE

For sale: Conde Nast shopping annual sports titles. **Page 43**

Special Report: Creative snags zap radio's potential. **After Page 32**



Joe Fournier

NEWS SUMMARY

■ **Coca-Cola Co.'s** hiring of Creative Artists Agency appears to erode the marketing role of its ad agencies. 1

■ **Whittle Communications,** following the sale of one-third interest to Forstmann Little & Co., plans a chain of showrooms in malls where car shoppers can take simulated test drives. 1

■ **Nintendo of America** has budgeted $25 million to back its new Nintendo Super NES 16-bit videogame system. 1

■ **Super Bowl XXVI,** telecast next January on CBS, carries an $850,000 price-tag for 30-second commercials, but buyers doubt that price will hold. 3

■ **Several cable networks** will emulate the broadcast nets by introducing new programming this month. 3

■ **Household cleaner market** is experiencing a new-product surge this season. 3

■ **AMC Theatres** this month will bring back 14 movies released this summer, offering half-price tickets. 3

■ **Maybelline's** new $50 million ad campaign marks a return to mainstream media advertising by the company. 4

■ **U.S. Postal Service** today begins a $20 million ad campaign tied to its Olympics sponsorship. 4

■ **TBWA Advertising** received a $15 million investment from Hakuhodo, Japan's No. 2 agency. 4

■ **Western marketers** in the Soviet Union are returning to business as usual following the unsuccessful coup. 10

■ **Benetton poster** showing a placenta-covered newborn was withdrawn from U.K. showings following complaints. 14

■ **Hallmark Cards** is offering personalized cards produced with interactive computers in its stores. 14

■ **Sports marketing** was a $23.5 billion business in the U.S. last year, according to a new study from the Sports Marketing Group and The Associated Press. 16

■ **Minority media** are holding up during the recession, with the new emphasis on target marketing given as a reason. 26

■ **TV's ratings system** is under attack by several groups, with no consensus on how to fix it. 33

■ **Sun-Times Network,** which includes the *Chicago Sun-Times* and suburban papers, and *The Wall Street Journal* are joining for a discount ad program. 40

■ **Northwest Airlines** began its first new ad campaign since splitting its account among four agencies. 40

■ **Conservative groups** began advertising in support of the Supreme Court nomination of Clarence Thomas. 41

■ **Ford Motor Co.** will back the new Ford Taurus and Mercury Sable with a $100 million-plus marketing effort. 41

■ **Conde Nast** is seeking a buyer for its Street & Smith's sports annuals, several potential buyers say. 43

■ **Walt Disney Co.** is exploring potential franchise extensions for *Discover*, purchased from Family Media. 46

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ABC loosens rules

Net draws fire for ad dispute resolution plan

By Joe Mandese

NEW YORK—ABC is reconsidering a proposal that would require advertisers to mediate their own false-ad claim disputes.

The plan, disclosed as the network loosened other longstanding restrictions on competitive ad claims and endorsement, was immediately attacked by the ad industry.

Late last week, ABC said it was rethinking the plan that was to have complaints go to the advertiser rather than the network.

"My suspicion is that [ABC] has probably been spending a lot of time trying to resolve competitive challenges," said Rich Pollet, senior VP-general counsel of J. Walter Thomspon USA. "It seems reasonably clear to me that it is a way of them cutting down on their staff time."

Bertrand Lanchner, senior VP-general counsel of N W Ayer, agreed.

"ABC is trying to duck the workload on challenges," he said.

Besides shifting the burden to advertisers, Mr. Lanchner predicted the change would slow resolution of challenges.

"Some advertisers are not going to be as attentive to challenges when they come from a competitor as when they come from a network," he said. "The fact that a challenge is coming from a network makes it more serious, because the advertiser knows that if the network finds against him, he is off the air."

He said there would be no incentive for an advertiser to respond quickly since its spots would keep running until the challenge was resolved.

After hearing complaints about the ad challenge plan, ABC said it's reconsidering the proposal, but still plans to codify the other

(Continued on Page 8)

Zero profits at Saatchi?

By Laurel Wentz

LONDON—Analysts slashed their forecasts for Saatchi & Saatchi Co.'s 1991 profits to zero last week after CEO Robert Louis-Dreyfus and Chief Operating Officer Charles Scott painted a grim picture of the advertising market.

The Saatchi executives were explaining the financial results—a $7.1 million pretax loss for the first six months of 1991—in meetings with analysts and shareholders. Before the results were announced Sept. 5, analysts were forecasting pretax profits of about $25 million for the full year.

"In light of revenues not looking like picking up in the last quarter, I'm going for the worst case scenario of break-even," said Lorna Tilbian, an analyst at U.K. stockbroker Warburg Securities.

Saatchi's severance costs of close to $8.8 million following layoffs of about 500 staffers in the first half were largely responsible for the loss.

Because Saatchi has just changed its financial year to end Dec. 31 from Sept. 30, figures aren't directly comparable with last year's results. However, Saatchi calculates that $600 million revenues for the first half represent a 4% drop from a year earlier and that the $7.1 million loss compares to pretax profits of $23 million.

"We're budgeting for revenues staying flat" for the rest of the year, a Saatchi spokesman said.

Describing their efforts to cut costs and improve efficiency, Messrs. Louis-Dreyfus and Scott said seven Saatchi-owned companies lost about $10 million total in the first half.

Of those seven businesses, they have fixed problems at four and are still working on the other three, they said. The seven companies weren't identified.

Two Saatchi companies in the U.K.—London agency KHBB and Zenith Media, the media buying arm for all Saatchi agencies in the U.K.—were singled out as doing especially well during the first half.

Chairman Maurice Saatchi said ad revenues declined in the U.S. and the U.K. and were static elsewhere, with no evidence of any overall increase in client spending. □

Louis-Dreyfus: 'On the right track'

Robert Louis-Dreyfus, ceo of Saatchi & Saatchi Co., London, talked to Advertising Age *European Editor Laurel Wentz last week about Saatchi's performance following the release of the holding company's financial results for the first six months of 1991.*

ONE ON ONE

Advertising Age: *Do you expect a recovery to begin this year? Or in 1992?*

Mr. Louis-Dreyfus: We think [in] the second part of this year revenue will be flat, but we expect to make a profit before 1992.

Unfortunately, I don't see any sign yet of revenues rebounding in 1992. For the time being—we haven't done our budget [yet]—we don't have a sign that clients are going to be spending more.

AA: *The financial community is concerned that WPP Group may run out of money soon. Could that happen to Saatchi?*

Mr. Louis-Dreyfus: Absolutely not. When we did our refinancing—I don't know if it was smart or not—we did a forecast for three bad years. Cash flow is ahead of where we thought it would be for the first six months.

R. Louis-Dreyfus

Our average debt was $450 million last year. This year, average debt was $382 million [for the first half] and in June debt was $350 million, so we are on the right track. Our bank loans run until 1996. We feel pretty good about it.

AA: *There is still speculation that U.S. agencies AC&R and Campbell-Mithun-Esty may be sold. What are your plans for those shops?*

Mr. Louis-Dreyfus: I never comment on that.

AA: *Are you done with cost cutting?*

Mr. Louis-Dreyfus: If revenue is flat for the second half, the cost cutting is complete except maybe [letting go] one or two guys somewhere in I don't even know what country. Cost cutting is 99.9% complete. All indications we have from July and August [show] we are on target.

AA: *Can you give some idea how Saatchi's two networks, Saatchi & Saatchi Advertising and Backer Spielvogel Bates, are performing individually?*

Mr. Louis-Dreyfus: We don't divulge that kind of information.

AA: *What functions has Charles Scott, Saatchi's former group finance director, taken over from you since you appointed him chief operating officer in July?*

Mr. Louis-Dreyfus: He's running the seven divisions. To be fair to him, these [first-half financial] numbers are mine. The next ones are his.

AA: *Now that he's taken over daily operations, how long will you stay?*

Mr. Louis-Dreyfus: You can be reasonably sure that until we show good numbers, I'll be around. □

Sports marketing: a high-rollers game

DALLAS—The $18 million Quaker Oats Co. reportedly spent to sign Michael Jordan as a Gatorade endorser sounds like big money to fans, but it's only a drop in the corporate sports marketing bucket.

Companies spent $23.52 billion on sports marketing in the U.S. last year, more than five times the $4.2 billion spent on tickets for all spectator sports, according to a new study from the Sports Marketing Group and The Associated Press.

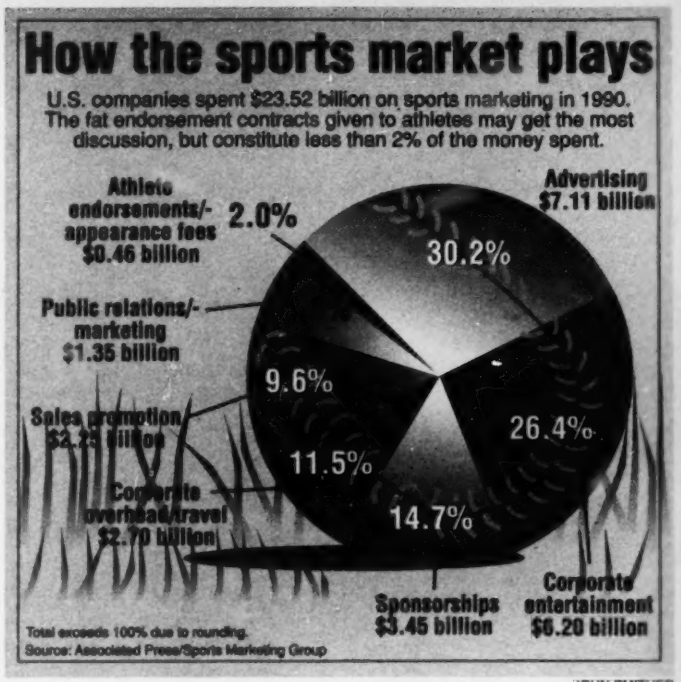
The single largest share, 30.2%, went to advertising.

Remaining sports marketing dollars were spent for corporate entertainment at, or in connection with, sporting events ($6.2 billion); sponsorships ($3.45 billion); corporate overhead and travel ($2.7 billion); sales promotion ($2.25 billion); public relations ($1.35 billion); and athlete endorsements and appearance fees ($460 million).

The 10 heaviest corporate spenders last year were General Motors Corp. ($445 million), Philip Morris Cos. ($405 million), Anheuser-Busch Co. ($400 million), Nike ($200 million), Ford Motor Co. ($130 million), AT&T Co. ($125 million), Chrysler Corp. ($120 million), RJR Nabisco ($115 million), Procter & Gamble Co. ($110 million) and Coca-Cola Co. ($95 million).

Those 10 companies accounted for $2.145 billion, or only 9% of the total, indicating the depth of corporate involvement in sports-related marketing.

Nearly $3 billion was spent on TV advertising, 42% of the total investment on advertising. Broadcast network represented 64% of TV spending, or $1.9 billion, followed by spot TV ($570 million), network cable TV ($360 million) and syndicated TV ($150 million).


How the sports market plays
U.S. companies spent $23.52 billion on sports marketing in 1990. The fat endorsement contracts given to athletes may get the most discussion, but constitute less than 2% of the money spent.
Athlete endorsements/-appearance fees $0.46 billion
2.0%
Advertising $7.11 billion
30.2%
Public relations/-marketing $1.35 billion
9.6%
Sales promotion $2.25 billion
26.4%
11.5%
Corporate overhead/travel $2.70 billion
14.7%
Sponsorships $3.45 billion
Corporate entertainment $6.20 billion
Total exceeds 100% due to rounding.
Source: Associated Press/Sports Marketing Group

JOHN SMITHER

Other ad media for sports marketing dollars were newspapers ($2.42 billion), magazines ($860 million), radio ($440 million), stadium and program advertising ($230 million), production fees ($160 million) and outdoor ($30 million).

The three-month study was based on hundreds of phone and in-person interviews with teams, networks, marketers, ticket brokers and other related businesses.

Corporate sports marketing was the single largest contributor to the $54.52 billion spent last year on all facets of spectator sports, ahead of the $11.05 billion schools spent on athletics and $6.2 billion spent for licensed products.

But consumers still spent more to take part in sports than to watch; $125.16 billion was spent on participant sports.

There may be trouble ahead for sports marketing, however, said Nye Lavalle, Sports Marketing Group managing director.

Economic doldrums are reining in many corporate sports budgets, ad sales during TV sports programming are slowing and sponsors are pulling out of events. Fans are resisting higher ticket prices, and companies are beginning to rethink their sports investment, he said. □

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WPP woes persist

Former execs seek cash; analysts stay wary

By Laurel Wentz

LONDON—Two former high-level WPP Group executives, including former Ogilvy Group CEO Ken Roman, have filed separate claims against the company seeking compensation.

Ken Roman

As speculation continued last week about WPP's possible cash-flow difficulties, it was learned Mr. Roman has initiated administrative proceedings regarding his "golden parachute" benefits.

Both Mr. Roman and WPP confirmed arbitration proceedings have begun, but neither would offer any details of the proceedings.

"It's a private issue, and I'm not going to discuss it," Mr. Roman said.

Mr. Roman, who left Ogilvy two years ago, made his claim in the spring, say sources close to the company.

Under Ogilvy Group's golden parachute provisions, executives—including Mr. Roman—were entitled to three times their annual salaries and bonuses. The parachute plan covered 24 senior officers and was worth a total of $28 million. Mr. Roman's cash compensation was in excess of $500,000 annually.

Former WPP Treasurer Simeon Galpert is alleging unfair dismissal in his case, scheduled to be heard before a U.K. industrial tribunal in late October.

Sources close to the company say Mr. Galpert is seeking an undetermined amount of severance pay.

Mr. Galpert has handled WPP negotiations with its banks over new financing arrangements to keep WPP from breaching financial covenants and possibly running out of money. That plan was announced April 4, but he had left in March and filed the unfair dismissal claim in London in June.

WPP confirmed it's contesting the claim.

In an earlier dispute, Bruce Beach, who resigned as managing director of Ogilvy & Mather's Chicago office in January, filed suit against Ogilvy Group June 17 in U.S. District Court in Chicago.

His suit, which hasn't come to trial, alleges he wasn't paid $310,000 in performance bonuses due him from 1990.

Separately, in February, Mr. Beach filed a re-

(Continued on Page 46)

Time Warner, Mazda sign $96M deal

Cross-media package gets 'Meaning of life' theme

By Scott Donaton and Cleveland Horton

Mazda Motor of America is entering into a precedent setting $96 million deal with Time Warner for an extensive, three-year cross-media package that will help the automaker through a critical marketing period.

The program, set to start this year, is built around an umbrella theme, "The meaning of life." That theme stems from an editorial project of the same name that ran in *Life* in December 1988, in which a number of celebrities addressed the issue.

The Mazda deal, known to be in the works, is one of the largest integrated marketing packages sold by Time Warner. Besides the $40 million Chrysler Corp. deal signed in the fall of 1990, the company sold an $80 million program last year to General Motors Corp.

"This truly is the most integrated marketing program that we have engineered," said one Time Warner official who requested anonymity. "It is certainly multimedia."

The centerpiece of the program is Mazda's space commitment to Time Warner's magazines. The deal extends beyond Time Warner's New York-based titles—*Time, People, Sports Illustrated, Money, Fortune, Life* and *Entertainment Weekly*—to include some Time Publishing Ventures magazines, including *Sunset, Southern Living, Cooking Light, In Health, Parenting* and the fledgling *Martha Stewart Living*.

Other elements of the package include syndicated or cable TV programming, tied to the "Meaning of life" theme, to be sponsored by Mazda. In addition, *Life* is preparing to publish a book based on "The Meaning of Life," which Mazda will use as a marketing tool, perhaps to draw customers to showrooms.

"Efficiency is not the reason to do it. There's more of an emphasis on promotion and merchandising, rather than straight media."

The package may also involve Time Warner's selective-binding and ink-jet imaging capabilities used to personalize advertising and editorial messages.

It's not clear whether Mazda will adopt "The meaning of life" in all its advertising, handled by

(Continued on Page 46)

LAST MINUTE NEWS

Bain de Soleil goes to Ayer

CINCINNATI—Procter & Gamble Co. named N W Ayer to succeed Rosenfeld, Sirowitz, Humphrey & Strauss, both New York, on the Bain de Soleil suncare line, an estimated $3 million-plus account.

The Mediators files Chapter 11

NEW YORK—The Mediators filed for Chapter 11 bankruptcy protection Sept. 13 after Capital Cities/ABC, a creditor, sought to force the media buying company into involuntary Chapter 7 bankruptcy.

Northwest keeps O&M on roster

EAGAN, Minn.—Northwest Airlines will keep

(Continued on Page 8)

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Data deal: Robert Maxwell is trying to sell Standard Rate & Data Service. **P. 2**

Cost of a :30: TV spots on 'Cheers' cost the most. **P. 6**

Ad Review: Bob Garfield 'Nupes' Jimmy Connors. **P. 50**

Tyson fight suffers black eye

By Ira Teinowitz and Joe Mandese

Mike Tyson's indictment last week on rape charges threatens to knock out some major marketing plans leading up to his Nov. 8 heavyweight bout with Evander Holyfield.

The pay-per-view telecast through Time Warner Sports' TVKO unit won't include commercials, but sponsors planning promotions and advertising around the fight are scrambling to review options.

An unidentified automaker has pulled out of negotiations for a major sponsorship since Mr. Tyson was indicted, Time Warner executives said, though negotiations with Coca-Cola Co., which has signed Mr. Holyfield as an endorser, and other potential sponsors are continuing.

Time Warner identified the other potential partners as a watch company, as official timekeeper; Eveready Battery Co.; and a fast-food chain.

"We are continuing to solicit companies for sponsorship. We are very open about the situation."

Eveready Manager of Corporate Information Patrick Farrell, however, said the company "was not involved in any way with this fight."

The fight's two biggest sponsors, Anheuser-Busch and Southland Corp., last week said they will proceed with ad-supported promotions planned long before the controversy about Mr. Tyson began.

But there were some indications that A-B might lower the level of its national TV advertising that will support the fight.

One option might be for A-B to supply the promised advertising touting the fight but exclude mention of its name or brands.

A-B, the main fight sponsor, is contracted to run $5 million to $6 million in network and cable TV spots promoting the fight's availability as a pay-per-view event on TVKO, in return for bumpers and the ring mat bearing the

(Continued on Page 46)

Mike Tyson's indictment means headaches for fight organizers.

NEWS SUMMARY

■ **Mazda and Time Warner** are entering into a $96 million deal for a three-year cross-media package that includes magazine ads, TV programming and a book deal. 1

■ **Ken Roman**, former ceo of Ogilvy Group, filed a compensation claim against Ogilvy's parent, WPP Group. 1

■ **Mike Tyson's** indictment on rape charges slowed marketing plans for his title bout Nov. 8, though Anheuser-Busch and Southland Corp. said they will honor their commitments. 1

■ **SFM Media Corp.** is among the independent media buying companies that are enjoying a hot new-business run. 3

■ **H.J. Heinz Co.** says it will increase its marketing budget by $100 million in the current fiscal year. 3

■ **Pillsbury Co.** will launch a food and cooking magazine, *Fast & Healthy*, next April. 4

■ **Hanna-Barbera Productions** has lined up a number of licensing agreements for "Yo, Yogi!" a new animated Saturday morning show on NBC-TV. 4

■ **TV prime-time** ad rates are trending lower this season, with top-ranked "Cheers" averaging about 9% below last year. 6

■ **Saturn Corp.** will shift emphasis from its employees to Saturn customers in its new ad campaign. 6

■ **William Kerr** left the New York Times Magazine Group to become president of Meredith Corp.'s magazine group. 12

■ **Environmental considerations** play a role in buying decisions, 63% of consumers said in a new survey. 14

■ **Movie theater chains** will use a variety of promotions to attract more patrons this fall. 27

■ **Place-based media,** including ad-supported TV in health clubs, continue to grow despite some complaints. 28

■ **Ad spending** in some industries outpaced the economy, a study of advertising-to-sales ratios shows. 32

■ **'Investment Vision'** will be relaunched as *Worth* in January, and the personal-finance magazine will begin to shift from controlled to paid circulation. 38

■ **'The Wall Street Journal'** will offer limited use of spot color to advertisers starting this fall. 38

■ **Cable TV's** upfront marketplace brought in an estimated $750 million, about the same as last year. 39

■ **Pet food sales** grew an estimated 4% in 1990, according to analyst John C. Maxwell Jr. 43

■ **Copley Press** will merge its *San Diego Union* and *Tribune*, further reducing the number of two-newspaper cities. 45

■ **Turner Broadcasting System** is pushing media ad packages that combine cable TV, home video and books. 48

■ **Jimmy Connors'** strong showing in the U.S. Open tennis tournament has led to revived endorsement activity. 50

■ **Network sports** is no longer the most efficient way to reach men on TV, according to an analysis by Bozell. 50

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SRDS on the block

Maxwell seeks to trim $2.3 billion in debt

By Scott Donaton

British publisher Robert Maxwell is trying to sell Standard Rate & Data Service, the leading U.S. publisher of media and marketing information directories and software.

The highly profitable SRDS is part of the information services group of Macmillan, the U.S. arm of London-based Maxwell Communication Corp.

Based on financial data obtained by *Advertising Age*, industry observers estimate SRDS could sell for as high as $150 million to $200 million. But several potential buyers say they viewed SRDS as a maturing business with little opportunity for growth and won't make an offer.

Robert Maxwell

Macmillan President Kevin Shaffer confirmed Mr. Maxwell plans to make asset sales to cut debt but wouldn't comment on the potential sale of the ad-supported SRDS directories. SRDS Publisher Craig Burr wouldn't comment either.

Mr. Maxwell, chairman of Maxwell Communication, said at last week's annual meeting he expects to reduce the company's $2.3 billion debt load by at least $750 million by next March through asset sales. He said the company is negotiating the sale of some businesses but didn't identify them.

SRDS, circulating primarily to ad agency media buyers and planners, publishes more than 30 directories and data bases that include ad rates and circulation reports for business and consumer magazines, newspapers, TV, radio and other media.

The listings are free, but the directories carry paid ads and most have a paid circulation base. SRDS also publishes several controlled circulation publications.

Like most media outlets, SRDS has felt the sting of the recession. Ad pages are down for its leading directories, while circulation has been hurt by layoffs and buget cutbacks at agency media departments.

SRDS had revenues of $37.3 million for the fiscal year ended March 31, down 4.7% from fiscal 1990, according to a "summary fact sheet" sent to potential buyers by Bankers Trust. Cash flow for the directories for fiscal 1991 was $19.7 million, down 10%.

The company also faces a number of long-term growth hurdles. SRDS is likely to eventually offer subscribers electronic versions of all of its directories, which may make them less attractive as an ad vehicle. And the spread of media rate negotiation could render SRDS a less useful reference tool.

"It's a premier property, an institution, [but] our attitude on SRDS is it's a very mature business without a lot of upside and we're not wildly interested in it," said the president of one trade publishing company who asked not to be named.

At least two potential buyers, Cahners Publishing Co. and K-III Holdings, are believed to have decided against making offers. Neither would comment.

Other potential buyers include McGraw-Hill and Canadian publisher Maclean Hunter, publisher of similar media information directories in Canada and Europe.

Mr. Maxwell picked up SRDS as part of his $2.6 billion acquisition of Macmillan in 1988.

One source said Mr. Maxwell is also considering the sale of the smaller Macmillan Directories Business, consisting of four wholly owned subsidiaries: National Register Publishing Co., publisher of 16 directories, including the Standard Directory of Advertisers; Salesman's Guide; Gulfstream Publishing Co.; and Marquis Who's Who. □

Laurel Wentz contributed to this story.

Nabisco nibbles on candy

By Judann Dagnoli

Cookie/cracker king Nabisco has its sights on candy with the test-market launch of a new line called Little Fudgies.

Little Fudgies, chocolate-covered versions of Mini Oreo and Mini Chips Ahoy! cookies, are packaged in 1.3-ounce bags rather than Nabisco Biscuit Co.'s traditional cartons.

A Nabisco spokesman denied the line is targeted at candy consumers, but an early version of a TV spot for Fudgies used the theme "To get a great candy, get a Little Fudgie."

Nabsico wouldn't discuss the TV spot, via FCB/Leber Katz Partners, New York, or give specific test markets.

Sources say one test market is Pittsfield, Mass., where Nabisco is placing Fudgies displays in supermarkets' candy aisles.

With the introduction, the company that already dominates the $7 billion cookie/cracker market with a 44% share is heading into a $9.7 billion field staked out by RJR Nabisco sister company Planters LifeSavers Co.

That unit only markets gum and hard-roll candies, however; Nabisco earlier sold off its Butterfinger, Baby Ruth and other entries in the $5.2 billion chocolate candy business.

Nabisco already markets a chocolate-covered version of its standard size Oreo cookie but so far hasn't marketed chocolate-coated Chips Ahoy! or any of its mini-cookie items.

Having nearly tapped out niches in cookies, Nabisco has lately demonstrated its determination to increase market share with moves into other crossover brands. Earlier this year, the company rolled national with Mr. Phipps pretzel chips, a combination chip/pretzel.

Mr. Phipps joined an aggressive new-product lineup at Nabisco in the past few years. They include Mini Chips Ahoy!, Sprinkled Chips Ahoy!, Fat-Free Premium Crackers, Ritz Bits Sandwiches With Cheese and Ritz Bits Sandwiches With Peanut Butter in 1990, followed by My Goodness! low-fat cookies, Teddy Graham Bearwiches and Mini Oreos this year. □

Baltics aware of Western brands

By Elena Bowes

GLOBAL NEWS

Consumers in the Baltics and nearby St. Petersburg are familiar with many popular Western food and personal-care brands, according to a recent Nielsen Marketing Research report.

Rowntree Mackintosh Confectionery's After Eight chocolate mints, Nestle's Nescafe coffee, Carlsberg Brewery's Carlsberg beer, Remy Martin cognac, Philip Morris Cos.' Marlboro cigarettes and Unilever's Rexona deodorant were mentioned frequently in the report. Nielsen wouldn't release detailed information on each product's popularity.

In the study, published by Nielsen in Frankfurt and the EKI Institute in Tallinn, Estonia, 2,000 consumers were asked what brands they know, use and consider to be well-made in product groups including confectionery, coffee, liquor, baby food, cigarettes, detergent and deodorant.

The 63-page study was based on a door-to-door survey and questionnaire conducted in May.

The German-language study also gives a demographic and economic overview of Latvia, Lithuania, Estonia and St. Petersburg, formerly Leningrad.

One Western marketer, Kellogg Co., is likely to make the list in the future as it plans to enter the Baltics soon.

Kellogg and Adazi, a private Latvian company, have entered into a joint venture called Kellogg Adazi Food Products and will build a plant to make Kellogg's Corn Flakes, Frosted Flakes and possibly other ready-to-eat cereals. The plant is expected to open in 1993.

The joint venture will also distribute the cereals throughout the Baltics, as well as in the republics of Russia and Byelorussia, said Dick Lovell, Kellogg communications manager. Ad plans will be developed "down the road," he said. □

Julie Skur Hill contributed to this story.

Buyers' boom costs ad agencies

Major wins by independent media buyers

Media buying assignments awarded in the last two years.

Advertiser	Media affected	Previous full-service agency	New media buyer	Billings (millions)
American Isuzu	All	Della Femina	SFM	$90
Nike	Broadcast	Wieden & Kennedy	SFM	$80
Reebok	Broadcast	Hill Holliday	DeWitt Media	$70
Bally Mfg.	Broadcast	J. Walter Thompson; BBDO	Western Int'l	$50
Coors Brewing	Broadcast	Foote Cone	Various	$50
American Cyanamid	Broadcast	BBDO; Backer Spielvogel	SFM	$40
DHL	Broadcast	Ketchum Advertising	Int'l Comm. Group	$30
Pennzoil	All	Elsamen, Johns & Laws	Int'l Comm. Group	$30
Vons Cos.	All	J. Walter Thompson	Western	$25
James River	All	Scali McCabe	SFM	$22
Benckiser	All	Bozell; Grey	SFM	$20
Bugle Boy	All	Rubin, Postaer	Int'l Comm. Group	$20
Reebok Apparel	All	Chiat/Day/Mojo	DeWitt Media	$20
Foot Locker	Broadcast	AC&R	SFM	$15
Quintessence	All	Della Femina	CPM	$10
Marriott restaurants	Broadcast, newspaper	Earle, Palmer, Brown	CPM	$10
JP Morgan	All	Backer Spielvogel	SFM	$9

Source: *Advertising Age*

By Joe Mandese

At a time when independent media buying companies are hot, a few are sizzling.

SFM Media Corp. this week is expected to land a $10 million media buying assignment for J.P. Morgan & Co., capping off a $130 million new-business run this year.

The New York shop has already added Alfred Dunhill Ltd., American Isuzu Motors, James River Corp. and Matrix Essentials in 1991.

Combined with about $150 million in new business last year, SFM has nearly doubled total billings to about $600 million in just two years.

"We've had a very good couple of years," said Chairman-President Walter Staab. "But there's no question about it, this has been a tremendous period of growth for all independents."

In the past two years, more than $1 billion in media buying assignments has moved to independent media companies from full-service ad agencies.

Mr. Staab said those moves have been prompted by a trend among clients to "unbundle" agency services and consolidate media buying to maximize clout.

The principals of the independents say the growth is coming from advertisers seeking an alternative to full-service agency relationships. They say the development has been as threatening to agency/client relationships as the recent deal between Coca-Cola Co. and Hollywood talent agency Creative Artists Associates (AA, Sept. 9).

In that deal, Coca-Cola is calling on the talent agency to help develop marketing strategies that have traditionally been the province of the soft-drink marketer's ad agencies.

But ad agencies are fighting back against buying shops and, in some cases, winning.

"Our biggest competition is not other independents, it is the [ad] agencies."

Some top full-service agencies have begun pitching their media credentials independently from the rest of their services. Young & Rubicam, New York, recently pitched and won media-only assignments from 20th Century Fox Film Corp. and Perrier Group.

Starting in October, major agencies including Backer Spielvogel Bates; Bozell; DDB Needham Worldwide; Lintas:USA; J. Walter Thompson USA; Saatchi & Saatchi

(Continued on Page 48)

The couple: Part III

By Cleveland Horton

The flirting neighbors meet again in a new network TV spot for Taster's Choice coffee, and this time he asks her for a date.

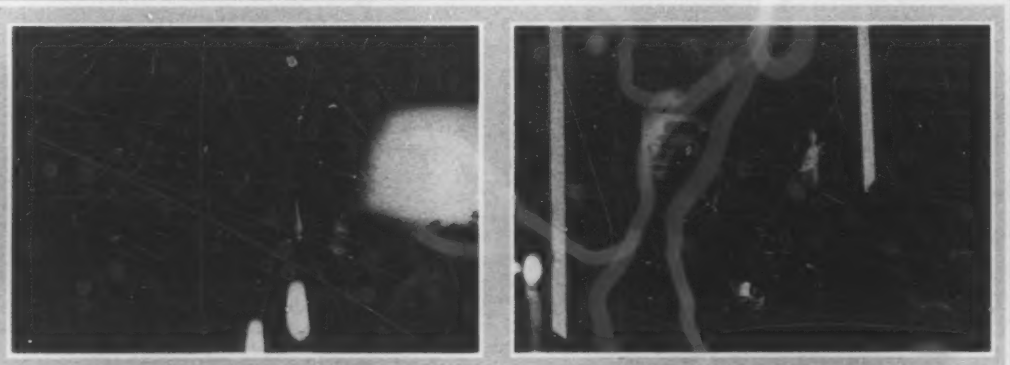
The series' third spot, which broke Sept. 15, opens at a dinner party where the female neighbor, played by Sharon Maughan, is a guest.

The dinner party is almost over when the doorbell rings. The hostess answers the door and greets the male neighbor, actor Anthony Head. He apologizes profusely to the hostess, who is his sister.

She ushers him in, noting he's just in time for coffee. The neighbors then share yet another magical moment before he asks her out.

The commercial is described as a "teaser" for the fourth episode, already shot and

(Continued on Page 45)



Boy meets girl again, this time at a dinner party, in the latest Taster's Choice spot.

Heinz marketing gets $100M boost

By Judann Dagnoli

H.J. Heinz Co. is pumping up a deflated marketing budget by $100 million for its current fiscal year in an effort to reverse volume declines and slipping earnings increases.

"This will be the year when Heinz is on the attack," said Chairman-CEO Anthony J.F. O'Reilly at Heinz's annual meeting last week. The company will "increase marketing support for our major brands, particularly in the tuna, food and weight-loss categories," he said.

Heinz's fiscal year began in May.

Mr. O'Reilly said proceeds from the sale of Hubinger Co., a corn milling operation, will be used to boost marketing spending to $550 million. Spending had fallen sharply in the first quarter of 1991, sources say.

The $100 million increase represents a 20% hike over the last fiscal year and is more than double the company's traditional 8% increase in marketing spending, said Ted Smythe, VP-corporate affairs.

The spokesman said the increase will go to advertising and consumer promotion rather than trade promotion, but Mr. O'Reilly's remarks at the annual meeting seemed to contradict that notion.

Wall Street sees problems at Heinz, led by CEO Anthony O'Reilly.

"Because two-thirds of all food buying decisions are made in the store, we stress deals, allowances and trade promotion that strengthen our presence at that critical point of sale," Mr.

(Continued on Page 45)

N W AYER:

The past catches up with its future

By Laurel Wentz and Jon Lafayette

As merger rumors swirled around N W Ayer, its chairman was unable to explain how the agency planned to remain independent while building a strong international network.

"I'm working on it, but there's nothing I can talk about yet," he said.

No, that response didn't come from a top Ayer executive last week but from Ayer Chairman Neal O'Connor in 1971.

Twenty years later, current Ayer Chairman Jerry Siano still faces essentially the same Catch-22: The agency has no major client that wants to employ the small Ayer international network around the world, and agencies don't want to tie into the Ayer network because it has no global business to offer.

Mr. Siano has said Ayer wants to strengthen its European network but isn't willing to relinquish control of the agency or go public. He's expected to clarify his strategy this week.

Ayer, one of the U.S.' oldest ad agencies, was actually one of the first to expand abroad, opening in the U.K. and Latin America to service Ford Motor Co. during the '30s. But Ayer lost the Ford account to J. Walter Thompson Co., and World War II diminished Ayer's interest in foreign affairs.

"Management didn't have the vision, and we didn't have an account to push it," one former senior Ayer executive recalled.

Ayer didn't start looking abroad again until the late '60s, long after rivals JWT and McCann-Erickson Worldwide were well-established globetrotters, and its efforts since then have been marked by fits and starts.

In 1967, Ayer bought a London agency, Alexander Butterfield, but sold most of its interest in the shop in 1971 to Pemberton Group, which agreed to represent Ayer in the U.K. Tom Maxey, now Ayer's vice chairman, was made VP-international operations and sent to London to work with Pemberton.

In 1974, Ayer entered a unique three-way joint venture with Charles Barker & Sons, London, and Werbeagentur Dr. Hegemann, Duesseldorf, and changed the name of the network to N W Ayer ABH.

The joint venture picked up a number of affiliates, then took off when Ayer landed the $30 million Pan American World Airways account in 1978. Before long, the Ayer network, including some 28 agencies, closed in on agencies such as

(Continued on Page 48)

Consciously green

Consumers question marketers' commitment

By Judann Dagnoli

An overwhelming majority of consumers say they base purchasing decisions on the environmental friendliness of products and companies, but few think big business is doing its part to save the Earth.

Those are some of the findings of the third annual Nationwide Environmental Survey conducted for Gerstman & Meyers, a packaging company.

The study found 83% of respondents said they prefer buying environmentally safe products, up from 82% last year. Sixty-one percent claimed they have passed up products within the past year due to environmental concerns, up from 56% a year ago.

Another 79% said they consider a company's environmental reputation when buying, the same response rate as a year ago.

But apparently consumers don't have much faith in marketers' current environmental track records. While almost three-fourths of respondents (72%) rated environmental labeling on consumer products as important, only 15% found current environmental packaging claims "extremely or very believable."

Price is now playing more of a role in environmental buying decisions. While most consumers said they would pay more for environmentally safe packaging, the 1991 survey found more price resistance than previously.

This year, 37% of respondents said they would pay 15% more for an environmentally safe package, a significant decrease from 1990, when 47% expressed a willingness to pay 15% more.

As in last year's survey, consumers demonstrated confusion about which products are kind to the Earth.

A full 69% of respondents said they believe plastic packaging contributes most to the solid waste problem, up from 60% a year earlier, but industry officials say that belief is flawed.

Despite the concern about plastic, however, 65% of respondents said they prefer using plastic ketchup bottles (up from 56% last year), and another 61% said they buy milk in plastic containers (up from 56%). While 70% of respondents said they don't buy carbonated beverages packaged in plastic, that figure is lower than last year's 75%.

In other specific product categories, 52% rated toothpaste in a pump as extremely or very harmful to the environment and 51% said frozen entrees in microwaveable dishes are very harmful. Perceived more "friendly" are breakfast cereals in cardboard boxes, rated extremely or very harmful by only 6%; juice in a milk-type carton (13%); and soda in an aluminum can (14%).

Overall, 91% of consumers rate marketers the least concerned about the environment, more so than the U.S. government (86%) and the public (85%).

"Consumers are clearly concerned about the solid waste problem and want to be part of the solution, but they need to see business and government taking action," said Jonathan Asher, Gerstman VP-director of marketing services.

"The fact that 91% of those polled feel that business is not concerned enough about the environment should convince corporate America that it is time to do something," he said.

The survey, conducted in person last June, included 318 female heads of household ages 21 to 59 responsible for household grocery shopping, and was conducted by Joel Benson Associates. Those surveyed live in Ridgewood, N.J.; Dallas; Detroit; San Francisco; Seattle; and Erie, Pa. The margin of error is plus or minus 5%. □

Packaging perceptions

Percent of respondents who said packaging for that product was extremely/very harmful to the environment.

Product	%	Product	%
Toothpaste in a pump	52	Juice in a small drink box	19
Frozen entrees in a tray	51	Juice in a frozen concentrate can	17
Soda in a plastic bottle	47	Ketchup in a glass bottle	16
Ketchup in a plastic bottle	46	Juice in a glass bottle	15
Juice in a steel can	41	Soda in an aluminum can	14
Cold medication in a blister card	37	Juice in a milk-type carton	13
Toothpaste in a tube	36	Cereal in a cardboard box	6
Cold medication in a bottle	24		

Total respondents 318. Source: Gerstman & Meyers

While Your Competition Is Spending Millions Raising Awareness, Changing Perception And Altering Attitudes, You Could Be Making A Sale.

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Source: [illegible] Response Analysis Corp., as reported in "How America Shops and Buys," 1991

For more information on how newspaper can help you close the sale, call Jim Wilson at (212) 704-4503.

Milk-Bone bites Purina

EAST HANOVER, N.J.—Nabisco Foods Co.'s Milk-Bone dog biscuits is taking an amusingly biting jab at Ralston Purina Co.'s Purina Biscuits in a new network TV commercial that broke last week.

Created by FCB/Leber Katz Partners, New York, the commercial shows a dog asking his unseen master why he's being fed those "new biscuits," adding, "Don't you love me anymore?" The spot states Milk-Bone has half the fat of Purina Biscuits, ending with the dog saying, "Please give me back my Milk-Bone."

Purina last year ran a commercial saying, "If it isn't Purina, bury it in the yard." Martin Marshall Jaccoma Mitchell, New York, handles Purina. □

MEDIA MIX

News briefs on print, electronic and alternative media.

Connoisseur chases consumers. Hearst Magazines is backing its June redesign of *Connoisseur* with a massive circulation-building campaign. The monthly hopes to expand its rate base 56.3%, to 500,000 from 320,000, in two years, said Publisher Carol Ference. The magazine this month breaks a $2 million outdoor, transit and radio campaign in Los Angeles and New York, themed "Art and culture, inside out" and created by the MacDougall Co., New York, and Marc Balet, *Connoisseur* creative director. A 2 million-piece direct mail effort is slated for December, following a similar push in July, and newsstands will carry more copies in more visible displays.

Video ventures in store. Actmedia, Norwalk, Conn., and Klever Kart, Salt Lake City, are developing a video screen for shopping carts similar to Information Resources Inc.'s VideoCart system. The screen will carry pricing information, ads and promotional messages; initial testing is scheduled for early 1992. Separately, Actmedia Canada, Mississauga, Ontario, has purchased Retail Resource Group, a Toronto-based in-store promotion and sales merchandising company.

Lifetime catches Orion's stars. Lifetime Television bought exclusive cable TV rights to 39 films from Orion Television Entertainment, a division of Orion Pictures Corp. Thirteen films—including "Mermaids," "Dances With Wolves," "Alice" and "Silence of the Lambs"—will run on Lifetime before syndication. The other 26 have been in syndication. All the films will make their basic cable TV debut on Lifetime, starting in October 1993.

Snow job. The New York Times Co. Magazine Group unveils a redesign of *Snow Country* with the October issue. The revised cover and pages will allow larger photos and splashier graphics for the eight-times-a-year title. *Snow Country's* September issue was its largest ever for the month, with 89.1 ad pages, up 18.7% from a year before.

Shoppers count in Wal-Mart. Wal-Mart Stores is installing Shoppers Calculator, solar calculators attached to shopping carts and carrying ads. ADDvantage Media Group, Tulsa, Okla., plans to install the device in all Wal-Mart stores and selected Acme and Kroger supermarkets; other chains featuring the calculator include Shop-Rite, Publix, Dierbergs and Homeland supermarkets. ADDvantage sells ad space.

***Snow Country's* October issue is the first under its redesign.**

Branching out. Lear Publishing, publisher of *Lear's*, will launch *Connection*, a monthly, themed newsletter making its debut as a 12-page supplement to the November issue of *Lear's*. Charter subscriptions cost $48 per year. The newsletter will focus on themes such as money, style and business, and initially won't carry ads.

Pump up the volume. Radio ad sales improved in July, posting a 3.1% gain over July 1990, the Radio Advertising Bureau reported. Using an index of stations in 100-plus markets, the bureau found local revenues rose 3.5% and national spending was up only 0.1%. The July performance is an improvement over year-to-date spending, down 3.1% through July.

PBS goes to school. The Public Broadcasting Service has joined Cable in the Classroom, a nonprofit consortium of 43 cable operators and 20 cable networks supplying commercial-free programming to 18,000 junior and senior high schools. Members include Tele-Communications Inc., Cable News Network, the Discovery Channel and the Family Channel; all pay membership fees. □

Joe Mandese coordinates MediaWorks.

Stations reduce research

NEW YORK—The trend among TV stations to choose a single ratings service presents problems for agencies—and for the ratings services.

Nielsen Media Research last month shut down its local metered market ratings service in Detroit and reverted to a diary-based service. It was the first time ever that Nielsen shut down a metered market service.

Nielsen cited economics for the switch. Only one commercial TV station was subscribing to the metered service.

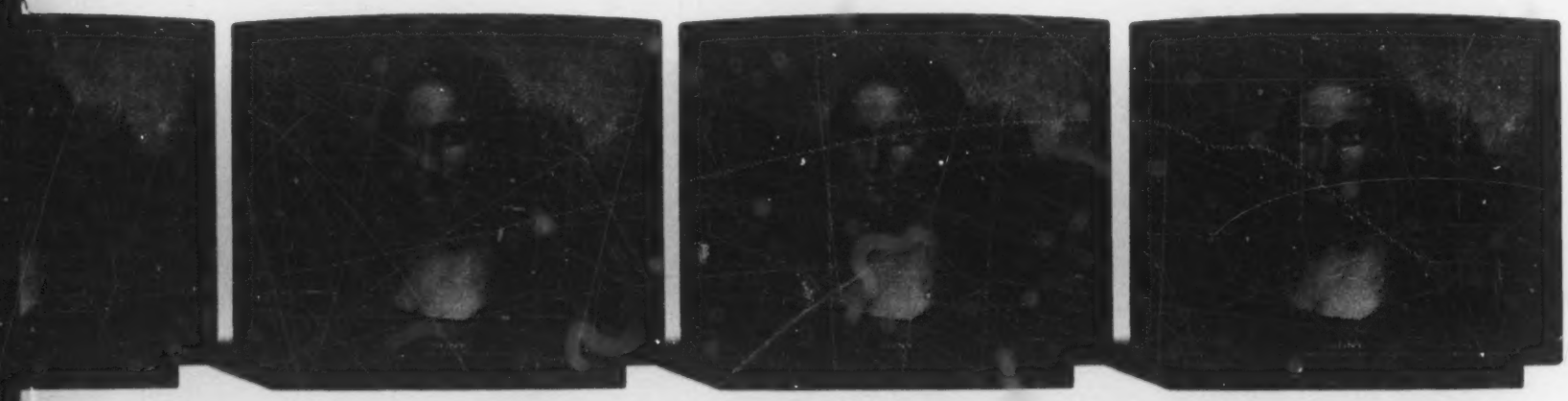
"Agencies are not happy about it," said Joanne Milano, VP-media research director of Lowe & Partners. Nielsen "took a step backward, because meters are a superior way of measuring ratings."

While Nielsen plans to introduce other metered markets soon, the rapidly changing economics of local ratings are becoming all too clear, Ms. Milano said.

A Lowe study found the number of stations subscribing to both Nielsen's and Arbitron's ratings services this year is 347, down 27% from 1989. Nielsen added 85 stations during that period, and carries 414; Arbitron added 51 stations and carries 196.

According to an Arbitron survey of the top 50 ad agencies, 21 use Nielsen 100% of the time and 10 use Arbitron 100% of the time, with the balance using both services to varying degrees.

In 1990, 53% of commercial stations were single service, up from 24% in 1985, Arbitron reported. □



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BUSINESS AND PROFESSIONAL GROUP

Ad ratio gains posted for '91

LINCOLNSHIRE, Ill.—Despite the economic downturn, several industries this year are significantly increasing ad expenditures as a percentage of sales, a study by Schonfeld & Associates found.

Schonfeld sees double-digit percentage increase in ad-to-sales ratios for 11 business sectors.

They are: air courier services (11.7%); bakery products (17.8%); cable and pay TV services (17.7%); dairy products (22.9%); hospital and medical service plans (13.3%); household audio and video equipment (14%); motion picture and videotape distributors (24.8%); periodical publishing and printing companies (22.4%); phonograph records, audiotapes and discs (23.4%); pre-packaged software (16.2%); and videotape rentals (29.8%).

The research is based primarily on 10-K reports filed by publicly held companies, grouped by industries based on four-digit Standard Industry Classification codes. In the 10-K reports listing "advertising" expenditures, companies may include promotion spending as well.

Industries to watch in 1992 include airlines and hotels, where ad spending growth is expected to be only 5% and 6%, respectively.

Besides ad-to-sales ratios, the annual report forecasts 1992 ad spending for more than 5,700 companies, using historical data.

The new study also includes sales growth rates as well as advertising growth rates by company.

Industries to watch in 1992, Schonfeld said, include airlines and hotels, where ad spending growth is expected to be only 5% and 6%, respectively, less than in past years.

This moderation undoubtedly reflects the recent pressure on travel revenues and profits due to the Persian Gulf War.

Health service providers will continue double-digit growth rates in 1992, Schonfeld predicted.

Some service chains now have budgets of more than $25 million and growth rates above 15%. Outpatient service companies still have small ad budgets but show growth above 20%.

In the packaged computer software industry, ad growth will be 16.2% next year, faster than the 7% to 13% growth rates of computer hardware makers, the report found.

Despite industry turmoil, department store chains will spend $4.8 billion, Schonfeld reported. Variety store chains will show stronger ad growth of 8.9%, increasing spending to $3 billion.

Copies of the 203-page study are available for $295 from Schonfeld & Associates, 1 Sherwood Drive, 60069. Phone: (708) 948-8080. □

Advertising-to-sales ratios, 1991

Computed by industry.

Industry	SIC no.	Ad dollars as percent of sales	Ad dollars as percent of margin	Annual growth rate (%)
Abrasive, asbestos, misc minerals	3290	1.1	3.9	(0.4)
Adhesives & sealants	2891	2.7	5.9	9.4
Agriculture chemicals	2870	0.7	3.1	7.4
Agriculture production-crops	100	2.2	7.1	14.3
Air cond, heating, refrig equip	3585	1.7	6.5	(0.9)
Air courier services	4513	1.2	9.9	11.7
Air transport, scheduled	4512	1.9	65.5	5.0
Aircraft & parts	3720	0.6	3.1	3.9
Aircraft parts, aux equip, NEC	3728	0.8	3.1	2.8
Apparel & other finished prods	2300	4.3	11.3	10.1
Apparel & accessory stores	5600	1.9	5.0	5.0
Auto & home supply stores	5531	2.2	8.9	9.2
Auto rent & lease, no drivers	7510	2.4	3.6	6.7
Automatic regulating controls	3822	3.3	11.5	5.8
Bakery products	2050	8.0	47.6	17.8
Beverages	2080	8.6	14.6	8.6
Bldg matl, hardware, garden-retail	5200	4.9	12.9	4.4
Books: pubng, pubng & printing	2731	2.9	6.0	3.8
Broadwoven fabric mill, cotton	2211	4.3	21.7	(1.5)
Btld & canned soft drinks, water	2086	3.0	6.6	6.2
Business services, NEC	7389	2.7	6.5	9.8
Cable & other pay TV services	4841	2.9	6.0	17.7
Can fruit, veg, preserv, jam, jelly	2033	2.6	8.4	14.4
Can, frozen preserv, fruit & veg	2030	7.7	18.9	8.8
Catalog, mail-order houses	5961	6.9	17.7	6.7
Chemicals & allied prods-whsl	5160	4.2	18.0	7.7
Chemicals & allied products	2800	2.3	6.1	12.1
Cigarettes	2111	3.9	6.6	(3.0)
Computer & comp software stores	5734	0.6	3.1	12.3
Computer integrated system design	7373	1.5	4.1	6.2
Computer processing, data prep svc	7374	1.5	2.9	8.4
Commercial printing	2750	2.7	10.4	11.0
Communications equipment, NEC	3669	2.1	4.9	11.3
Computer & office equipment	3570	1.6	3.3	7.1
Computer communication equipment	3576	1.9	4.0	13.1
Computer peripheral equip, NEC	3577	1.9	4.1	13.1
Computer storage devices	3572	1.4	4.8	18.9
Computers & software-wholesale	5045	0.6	5.2	14.4
Construction, mining, matl handle equip	3530	4.4	12.9	7.4
Convert paper, paperbd, ex boxes	2670	2.3	5.2	5.8
Cutlery, hand tools, gen hardware	3420	9.6	18.8	8.7
Dairy products	2020	4.1	11.2	22.9
Department stores	5311	2.8	14.3	4.5
Drug & proprietary stores	5912	1.6	5.6	7.4
Durable goods-wholesale, NEC	5099	3.6	7.6	32.4
Eating places	5812	3.4	17.9	7.8
Educational services	8200	6.9	15.7	11.5
Electrical measure & test instruments	3825	2.6	5.4	4.1
Electr, other elec equip, ex computrs	3600	2.2	5.6	6.2
Electric housewares & fans	3634	5.2	20.0	5.5
Electric lighting, wiring equip	3640	2.5	8.5	9.0
Electromedical apparatus	3845	1.3	2.2	11.2
Electronic comp, accessories	3670	0.7	2.3	9.6
Electronic computers	3571	3.6	7.2	10.3
Electronic parts, equip-whsl, NEC	5065	2.0	7.5	5.7
Engines & turbines	3510	1.3	6.6	(13.2)
Engr, acc, resrch, mgnt, rel svcs	8700	1.4	6.7	2.0
Equip rental & leasing, NEC	7359	0.7	2.4	4.5
Fabricated plate work	3443	1.0	3.7	10.2
Fabricated rubber products, NEC	3060	0.7	3.9	41.8
Facilities support mgmt svcs	8744	1.9	11.6	14.6
Family clothing stores	5651	2.3	6.8	12.8
Farm machinery & equipment	3523	1.1	4.5	6.6
Finance-services	6199	0.8	6.9	3.6
Food & kindred products	2000	6.3	14.9	9.6
Footwear, except rubber	3140	4.8	11.9	8.9
Functions rel to dep banking, NEC	6099	6.0	55.8	8.5
Furniture & home furnish-wholesale	5020	6.6	22.9	(14.6)
Furniture stores	5712	7.6	15.8	6.3
Games, toys, child veh, ex dolls	3944	16.3	33.5	9.9
Gen med & surgical hospitals	8062	0.3	1.7	(2.4)
Gen industrial machine & equip	3560	1.9	6.6	12.4
Glass, glassware-pressed, blown	3220	1.7	3.9	12.5
Grain mill products	2040	9.4	19.6	6.8
Greeting cards	2771	5.3	8.7	7.9
Groceries & related prods-whsl	5140	1.3	8.8	7.4
Grocery stores	5411	1.2	4.7	4.4
Guided missiles & space vehc	3760	1.3	7.4	(3.1)
Hardware, plumb, heat equip-whsl	5070	1.8	14.3	6.3
Help supply services	7363	1.7	7.5	10.1
Hobby, toy & game shops	5945	1.8	5.5	10.0
Home furniture & equip stores	5700	4.4	13.4	13.1
Hospital & medical svc plans	6324	0.9	5.4	13.3
Hospitals	8060	5.2	34.7	8.9
Hotels, motels, tourist courts	7011	3.9	13.8	6.0
Household appliances	3630	2.1	11.1	11.8
Household audio & video equip	3651	5.1	12.2	14.0
Household furniture	2510	3.8	13.9	11.2
Ice cream & frozen desserts	2024	5.6	21.1	13.4
Industrial inorganic chemicals	2810	19.4	44.2	7.6
Indl trucks, tractors, trailers	3537	0.9	3.8	7.4
Industrial measurement instr	3823	1.9	4.9	6.4
Industrial organic chemicals	2860	1.6	5.6	0.9
Investment advice	6282	8.0	21.6	5.3
Iron & steel foundries	3320	1.6	5.8	8.3
Jewelry stores	5944	2.8	8.2	11.4
Jewelry, precious metals	3911	2.3	5.5	8.7
Knit outerwear mills	2253	1.3	3.8	7.6
Knitting mills	2250	5.8	17.2	7.7
Lab analytical instruments	3826	2.0	3.4	4.6
Lab apparatus & furniture	3821	2.6	7.3	14.5
Lawn, garden tractors & equip	3524	1.9	7.3	13.6
Lumber & other bldg matls-retail	5211	1.9	6.5	3.9
Machine tools, metal cutting	3541	1.1	4.4	1.4
Magnetic, optic recording media	3695	3.8	9.3	2.6
Malt beverages	2082	4.9	16.5	10.9
Measuring & control devices, NEC	3829	1.1	3.2	13.2
Meat packing plants	2011	1.7	15.7	12.4
Men, youth, boys frnsh, work clthg	2320	2.8	8.4	8.4
Metal forgings & stampings	3460	4.5	16.8	16.0
Metalworking machinery & equip	3540	3.8	10.0	6.3
Misc amusement & rec services	7990	5.7	16.7	11.4
Misc business services	7380	1.1	2.3	8.5
Misc chemical products	2890	5.7	13.6	6.8
Misc elec machine, equip, supplies	3690	2.3	5.2	0.7
Misc fabricated metal products	3490	0.9	3.4	5.5
Misc food preps, kindred products	2090	3.2	7.9	4.9
Misc gen merchandise stores	5399	3.0	11.4	4.6
Misc industl, comml machine & equip	3590	1.5	3.2	9.2
Misc manufacturing industries	3990	3.5	9.1	9.8
Misc shopping goods stores	5940	2.7	7.1	(0.1)
Misc transportation equipment	3790	5.1	16.5	29.9
Motion picture, videotape prodctn	7812	13.2	23.9	9.2
Motion picture, videotape distr	7822	7.7	22.9	24.8
Motion picture theaters	7830	5.2	75.5	3.3
Motor homes	3716	1.0	5.0	(9.5)
Motor vehicle parts, supply-whsl	5010	1.0	6.1	1.9
Motor vehicle parts & accessories	3714	0.9	3.8	3.6
Motor vehicles & car bodies	3711	2.2	12.2	11.0
Motors & generators	3621	0.9	2.5	7.0
Newpapers: pubg, pubg & print	2711	3.1	8.3	6.0
Office machines, NEC	3579	2.0	6.6	6.8
Operative builders	1531	1.6	13.6	1.9
Operators, non-res buildings	6512	2.3	5.6	6.2
Ophthalmic goods	3851	9.9	17.1	14.5
Ortho, prosth, surgical appl, supply	3842	2.2	4.8	7.5
Paints, varnishes, lacquers	2851	2.6	6.9	11.3
Paper & paper products-whsl	5110	2.8	12.0	22.0
Paper mills	2621	1.1	3.9	11.6
Pens, pencils, other office matl	3950	5.7	12.1	10.4
Perfume, cosmetic, toilet prep	2844	10.1	16.5	8.0
Periodical: pubg, pubg & print	2721	5.8	13.5	22.4
Personal credit institutions	6141	0.9	2.1	9.1
Personal services	7200	7.2	17.0	7.3
Petroleum refining	2911	2.1	8.0	(4.6)
Pharmaceutical preparations	2834	6.1	8.9	9.8
Phone commun, ex radiotelephone	4813	2.3	4.9	3.1
Phono records, audiotape, disc	3652	10.2	20.9	23.4
Photofinishing laboratories	7384	3.3	9.2	2.9
Photographic equip & supply	3861	4.1	10.8	12.0
Plastic matl, synthetic resin	2820	1.3	4.5	1.3
Plastics products, NEC	3089	2.3	6.1	7.4
Plastics, resins, elastomers	2821	0.7	2.4	(2.3)
Pottery & related products	3260	5.6	14.6	19.4
Poultry slaughter & processing	2015	2.1	11.1	14.9
Prepackaged software	7372	3.3	5.2	16.2
Printing trades machy & equip	3555	1.4	4.3	12.9
Pumps & pumping equipment	3561	0.8	2.6	2.9
Radio broadcasting stations	4832	9.9	23.6	13.9
Radio, TV, broadcast comm equip	3663	1.1	3.0	9.7
Radio, TV, cons electr stores	5731	5.8	23.0	8.2
Radiotelephone communications	4812	2.9	6.0	20.8
Railroads, line-haul operatns	4011	0.7	3.2	38.2
Real estate investment trust	6798	0.7	0.9	1.7
Record & tape stores	5735	1.2	3.0	12.4
Refrig & service ind machine	3580	1.8	5.0	4.4
Retail stores	5990	6.9	20.0	17.2
Rubber & plastics footwear	3021	6.9	17.4	18.1
Sausage & other prep meat prods	2013	8.4	25.5	10.7
Savings instns, fed chartered	6035	0.7	2.7	2.8
Securities brokers & dealers	6211	2.8	22.8	3.5
Semiconductor, related devices	3674	1.0	2.5	3.2
Sheet metal work	3444	3.0	14.4	(4.4)
Ship & boat bldg & repairing	3730	4.8	57.7	6.9
Shoe stores	5661	0.9	2.5	(3.5)
Skilled nursing care facilities	8051	2.7	19.9	7.3
Soap, detergent, toilet preps	2840	7.8	17.6	8.0
Special clean, polish preps	2842	16.3	29.5	9.3
Special industry machinery	3550	5.6	26.2	11.2
Special industry machnry, NEC	3559	1.1	2.5	10.5
Sporting & athletic goods, NEC	3949	4.0	11.8	5.2
Search, det, nav, guid, aero systems	3812	0.1	0.4	9.2
Subdividers, develp, ex cemetery	6552	5.6	23.8	29.9
Sugar & confectionery prods	2060	10.5	28.0	12.2
Surgical, med, instr, apparatus	3841	1.4	2.6	8.1
Switchgear & switchboard app	3613	1.9	4.9	13.7
Telephone & telegraph app	3661	1.0	2.2	4.4
Television broadcast stations	4833	3.1	9.4	10.1
Textile mill products	2200	1.8	10.1	4.1
Tires & inner tubes	3011	4.1	15.6	2.0
Tobacco products	2100	1.4	3.0	4.8
Transit & passenger trains	4100	1.6	24.5	11.7
Unsupp plastics film & sheet	3081	3.7	10.3	8.1
Variety stores	5331	1.9	7.8	7.1
Videotape rental	7841	4.7	9.5	29.8
Water transportation	4400	7.2	18.1	4.4
Wmns, miss, child, infnt undergrmnt	2340	6.2	13.5	5.5
Women's clothing stores	5621	3.3	8.6	10.1
Women's, misses, jrs outerwear	2330	2.7	8.8	12.3
Wood hshld furn, ex upholsrd	2511	3.9	12.2	11.3

Source: Schonfeld & Associates, 1 Sherwood Drive, Lincolnshire, Ill. 60069. (708) 948-8080. Legend: SIC = Standard industrial classification. NEC = Not elsewhere classified. Ad dollars as percent of sales: Ad expenditures/net sales. Ad dollars as percent of margin: Ad expenditures/(net sales – cost of goods sold). Annual growth rate of advertising dollars.

Specialty shops spice up sales for pet foods

By John C. Maxwell Jr.

Pet food sales through specialty outlets and veterinarians grew 10% to nearly $1.1 billion last year, outpacing other outlets' gain of 2.8% to $6.4 billion.

That put industrywide sales at $7.5 billion, up about 4% from 1989.

MAXWELL REPORT

Dollar sales gains should continue to outpace volume growth as companies aggressively "trend up" product lines. Unit growth through grocery store channels was down 1% to 2%, with volume gains coming from non-grocery outlets such as discount stores, pet shops and feed stores at the expense of supermarkets.

It's estimated pet food sales through non-grocery outlets now account for 20% of total industry sales and will keep growing. But near-term gains by non-grocery outlets will be blunted by aggressive introduction of nutritional/prescriptive new products by grocery-oriented marketers.

Such products will get trial because of large ad budgets and prices lower than pet store and veterinary products.

Hill's Pet Products and Iams Co. dominate the specialty segment of the market, with Hill's estimated at $575 million in retail sales in 1990 and Iams at an estimated $275 million.

Product introductions reportedly hit a high last year. And discounting was in abundance as marketers such as Alpo Petfoods and Kal Kan Pet Care tried to gain market share during limited volume growth.

Looking at share performance, Ralston Purina Co.'s decline continued, falling 1.2 points from 1989, but it was still a strong leader with a 25.8% market share.

Nestle's Friskies PetCare Products, in the No. 2 position, was flat at 14%. Mars Inc.'s Kal Kan, primarily due to the success of its Pedigree dog food line, moved ahead of Heinz, going to 12.5% from 11.7%.

It's estimated pet food sales through non-grocery outlets now account for 20% of total industry sales and will keep growing.

Heinz Pet Products dropped slightly to 11.6% from 12%, and Grand Metropolitan's Alpo moved ahead 1.8 points to 9.4%, aided by the successful rollout of the Garfield cat food line.

Quaker Oats Co.'s share fell to 8.4% from 10.9% of the market as a result of weak sales of its moist and soft-dry dog food products. □

Mr. Maxwell is an analyst with Wheat, First Securities, Richmond, Va.

Pet food sales

Annual pet food sales by category. Dollars are in millions.

DRY DOG FOOD	Marketer	1989	1990
Dog Chow	Ralston Purina	$260.8	$257.0
Puppy Chow	Ralston Purina	150.0	155.0
Alpo Regular Dinner	Alpo (Grand Met USA)	117.3	110.0
Come'N Get It	Carnation (Nestle USA)	90.2	91.5
Gravy Train	Gaines (Quaker Oats)	91.2	85.6
Meal Time	Kal Kan (Mars)	86.4	80.0
Hi-Pro Dog Meal	Ralston Purina	69.2	72.3
Field Trial	American Pet	50.7	60.5
Kibbles & Chunks	Ralston Purina	63.3	59.7
O.N.E.	Ralston Purina	47.2	51.9
Dry Cycle	Gaines (Quaker Oats)	49.1	51.0
Grrravy	Ralston Purina	47.0	47.0
Chuck Wagon	Ralston Purina	47.5	45.5
Pro Plan	Ralston Purina	26.0	40.0
Hearty Chunks	Quaker Oats	37.0	39.0
Mainstay	Ralston Purina	41.2	37.5
Fit & Trim	Ralston Purina	36.0	37.3
Lucky Dog	Ralston Purina	30.0	26.0
Sunshine	American Pet	21.4	25.0
Dad's	Dad's Products	23.6	24.8
Trail Blazer	Martha White	20.2	21.0
Purina Blends	Ralston Purina	24.3	18.0
Jim Dandy Classic Dinner	Jim Dandy (Grand Met USA)	15.6	17.0
Atta Boy	American Nutrition	13.2	14.0
Prime	Ralston Purina	12.5	13.0
Hunters Choice	Jim Dandy (Grand Met USA)	12.8	12.0
Friskies Dinner & Cubes	Carnation (Nestle USA)	12.1	10.3
Pedigree Puppy	Kal Kan (Mars)	—	9.5
Alpo Puppy	Alpo (Grand Met USA)	11.4	8.5
Puppy Chow Chewy Morsels	Ralston Purina	12.5	8.5
Tuffy	Heinz	9.0	8.1
Field Master	Ralston Purina	7.0	8.0
Bench and Field	Martin Feed Mills	5.1	6.0
Beef Complete	Ralston Purina	4.8	6.0
Blue Mountain	Associated Products	4.4	5.0
Kasco	Piasa	4.3	3.8
Field & Farm	Ralston Purina	2.7	3.1
Sturdy	Heinz	2.4	2.2
Ken-L Ration Biscuit & Meal	Quaker Oats	3.7	2.0
Strongheart	Strongheart	1.6	2.0
Cadillac	Cadillac	2.2	1.8
Bow Wow	Piasa	2.8	1.7
Meaty Meal	Heinz	1.5	1.7
Gravy Train Puppy	Gaines (Quaker Oats)	2.0	1.5
Vet Nuggets	Heinz	1.1	0.8
Savor	Ralston Purina	0.5	—
Gaines Meal	Gaines (Quaker Oats)	0.3	—
Thrive	Ralston Purina	2.5	—
All others		316.4	387.9
Total		**$1,876.0**	**$1,970.0**

CANNED DOG FOOD			
Kal Kan Pedigree	Kal Kan (Mars)	$250.0	$265.0
Alpo	Alpo (Grand Met USA)	263.5	255.0
Mighty Dog	Carnation (Nestle USA)	89.4	95.3
Skippy Premium	Heinz	52.5	55.7
Cycle	Gaines (Quaker Oats)	60.5	63.5
Grand Gourmet	Carnation (Nestle USA)	68.8	57.3
Pedigree Choice Cuts	Kal Kan (Mars)	11.5	46.0
Pedigree Select Dinners	Kal Kan (Mars)	36.0	40.0
King Kuts	Quaker Oats	38.7	33.0
Ken-L Ration	Quaker Oats	35.8	31.7
Recipe	Heinz	24.0	23.3
Vets	Heinz	15.3	17.4
Cavalier	Cadillac	14.0	14.5
Twin Pet	Allied Foods	13.5	14.0
Alpo Puppy	Alpo (Grand Met USA)	8.7	9.7
Pedigree Puppy	Kal Kan (Mars)	—	7.0
Gravy Train	Gaines (Quaker Oats)	7.5	6.0
Blue Mountain	Alpo (Grand Met USA)	7.0	6.0
Strongheart	Strongheart	5.0	4.8
Reward	Heinz	3.0	3.5
Skippy	Heinz	4.1	2.0
Laddie Boy	Laddie Pet Food	2.8	2.0
Bone Appetit	Ralston Purina	1.5	—
MPS	Kal Kan (Mars)	0.7	—
All others		4.2	51.3
Total		**$1,090.0**	**$1,115.0**

SOFT-DRY DOG FOOD			
Kibbles 'n Bits 'n Bits 'n Bits	Quaker Oats	$140.0	$130.0
Tender Chops	Quaker Oats	42.5	42.5
Moist & Chunky	Ralston Purina	12.7	7.0
Puppy Kibbles 'n Bits 'n Bits 'n Bits	Quaker Oats	8.6	6.5
Dinner Rounds	Heinz	5.0	4.8
Jim Dandy Tender Moist Chunks	Jim Dandy (Grand Met USA)	3.2	4.2
Total		**$225.0**	**$195.0**

DOG TREATS			
Milk-Bone & others	RJR Nabisco	$167.7	$168.0
Jerky Treats	Heinz	46.0	53.0
Meaty Bones	Heinz	37.0	32.7
Superior Brands products	Carnation (Nestle USA)	31.3	28.6
Purina Biscuits	Ralston Purina	12.0	24.0
Bonz	Ralston Purina	21.5	19.9
Pup-peroni	Quaker Oats	14.0	17.9
Alpo Snaps	Alpo (Grand Met USA)	12.2	12.8
Beef Bites	Alpo (Grand Met USA)	10.7	12.0
Snausages	Quaker Oats	10.0	11.7
Alpo Jerky	Alpo (Grand Met USA)	12.5	10.8
Hearty Chews	Ralston Purina	13.0	10.0
Beggin' Strips	Ralston Purina	7.0	9.0
Ribz	Ralston Purina	9.0	6.4
100% Natural Treat	Quaker Oats	4.5	4.3
Stew Biscuits	Alpo (Grand Met USA)	4.2	2.8
Marrow Bone	Kal Kan (Mars)	2.0	2.5
Cheese Dawgs	Ralston Purina	3.5	2.0
Pet-Life products	Pet-Life	1.2	1.2
Recipe	Heinz	0.8	0.9
All others		29.9	49.5
Total		**$450.0**	**$460.0**

MOIST DOG FOOD			
Moist & Meaty	Ralston Purina	$37.9	$41.0
Gaines-Burgers	Gaines (Quaker Oats)	29.5	18.5
Ken-L Ration Special Cuts	Quaker Oats	14.5	11.0
Smorgasburger	Quaker Oats	13.0	11.0
Ken-L Ration Cheeseburger	Quaker Oats	10.4	9.0
Moist & Beefy	Quaker Oats	8.0	7.0
Top Choice	Gaines (Quaker Oats)	7.6	3.5
Ken-L Burgers	Quaker Oats	3.5	2.1
Prime/Puppy Choice	Gaines (Quaker Oats)	0.8	—
All others		40.7	39.9
Total		**$165.0**	**$143.0**

CANNED CAT FOOD	Marketer	1989	1990
9 Lives	Heinz	$260.0	$245.0
Friskies Buffet	Carnation (Nestle USA)	255.0	236.3
Whiskas	Kal Kan (Mars)	235.0	220.0
Fancy Feast	Carnation (Nestle USA)	168.0	169.0
Alpo Premium	Alpo (Grand Met USA)	17.7	125.0
Amore	Heinz	100.0	80.0
Purina Premium	Ralston Purina	81.3	75.0
Kozy Kitten	Heinz	40.0	50.0
Sheba	Kal Kan (Mars)	45.0	45.0
Fresh Catch	Carnation (Nestle USA)	8.6	30.8
Puss 'n Boots	Quaker Oats	24.9	22.0
Whiskas Select	Kal Kan (Mars)	—	12.1
Friskies Kitten	Carnation (Nestle USA)	—	10.2
9 Lives Kitten Dinners	Heinz	4.5	8.6
Unique	Ralston Purina	8.3	8.5
Bright Eyes	Carnation (Nestle USA)	7.8	4.6
Twin Pet	Allied	3.0	3.0
Kitty	Allied	3.0	3.0
Catviar	Ralston Purina	5.0	2.5
Naturally Twin	Allied	2.5	2.5
Alpo Slices in Gravy	Alpo (Grand Met USA)	—	1.7
Tabby	Alpo (Grand Met USA)	0.3	—
All others		61.1	35.2
Total		**$1,351.0**	**$1,390.0**

DRY CAT FOOD			
Cat Chow	Ralston Purina	$149.5	$145.6
Friskies	Carnation (Nestle USA)	116.0	114.9
Meow Mix	Ralston Purina	86.0	78.0
Whiskas	Kal Kan (Mars)	80.0	74.0
Kozy Kitten	Heinz	55.0	60.0
Alley Cat	Ralston Purina	54.5	56.5
9 Lives	Heinz	55.4	59.7
Alpo Gourmet Dinner	Alpo (Grand Met USA)	7.4	44.8
Kitten Chow	Ralston Purina	43.5	38.5
Chef's Blend	Carnation (Nestle USA)	38.5	35.3
Special Dinners	Ralston Purina	36.9	29.0
Deli-Cat	Ralston Purina	—	22.0
Smart Cat	Ralston Purina	21.3	17.5
Thrive	Ralston Purina	24.2	16.8
Kitten Chow Dairy Formula	Ralston Purina	9.9	11.5
Friskies Kitten Formula	Carnation (Nestle USA)	10.0	8.6
Cat Menu	Ralston Purina	—	7.1
Purina Select	Ralston Purina	3.4	4.0
O.N.E.	Ralston Purina	—	0.3
Cat Chow Plus	Ralston Purina	0.3	0.1
All others		68.2	69.3
Total		**$960.0**	**$886.5**

MOIST CAT FOOD			
Tender Vittles	Ralston Purina	$103.2	$98.5
Happy Cat	Ralston Purina	38.1	27.0
9 Lives Tender Meals	Heinz	25.0	23.5
Moist Meals	Quaker Oats	3.0	1.5
Moist & Tender	Ralston Purina	0.5	—
All others		30.2	19.5
Total		**$200.0**	**$170.0**

CAT TREATS			
Pounce	Quaker Oats	$10.5	$8.5
Bonkers	Beatrice	7.0	7.0
9 Lives Finicky Bits	Heinz	3.5	4.0
Whisker Lickins	Ralston Purina	3.0	3.0
Others		2.0	12.0
Total		**$26.0**	**$34.5**

Source: Wheat, First Securities

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Ingersoll seeks European boost

By Elena Bowes

LONDON—Ralph Ingersoll, the U.S. publisher who owns U.K. and Irish newspapers through Ingersoll Publications, is talking with European publishing groups and U.K. financial institutions about recapitalization.

Mr. Ingersoll, who bought the Birmingham Post & Mail Group and *Coventry Evening Telegraph* in 1987 for about $100 million, said he'd like to sell a significant minority share of the Birmingham company by yearend but wouldn't name potential candidates. He said he'd like to raise $68 million through recapitalization.

Mr. Ingersoll said he'd like to use at least part of the money to invest in European titles, especially in the German-language sector.

He denied reports he's negotiating to sell the entire regional newspaper group.

The group includes the *Birmingham Post, Evening Mail, Sunday Mercury, Coventry Evening Telegraph* and 50% of the Irish Press Newspapers chain.

Six financial and editorial executives from the regional group approached Mr. Ingersoll about a management buyout but he said he isn't interested.

Mr. Ingersoll came to the U.K. to run the papers as part of an agreement that removed him as head of Ingersoll Publications' U.S. papers in July 1990, following the failure of his *St. Louis Sun* and the company's financial problems. The U.S. company, which has gone through its own restructuring, has since been renamed the Journal Co. □

Turner forges multimedia packages

By Alison Fahey

Turner Broadcasting System is aggressively pitching media packages that combine cable TV, home video and book publishing.

"Turner Broadcasting really does have the ability now to offer mini-media packages," said Terry Cunningham, VP-sales promotion at Turner Broadcasting Sales, the unit that oversees corporate ad sales.

Created in July 1986, Turner Home Entertainment distributes and markets home videos and has access to more than 1,400 movie titles. Turner Publishing, formed in November 1989, develops and markets books related to news and entertainment programming on Turner's four cable networks: Cable News Network, Headline News, TBS and Turner Network Television.

Turner has crafted some multimedia packages before, but the strategy has become a part of the company's "corporate philosophy" since the home video and book publishing divisions have grown, Mr. Cunningham said.

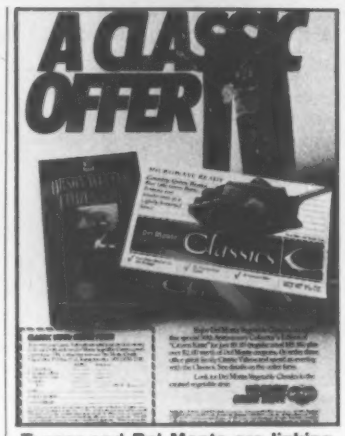
Such packages allow marketers to sponsor the release of a videocassette and be part of a supporting promotion. Turner would back the promotion with spots mentioning the sponsor on its cable networks.

The marketer could also be mentioned in a Turner-published book related to the movie and run its own commercials on some or all of Turner's cable networks.

"We have 17 [sponsorship] opportunities for 1992 that involve our home video and/or our publishing division," said Lou LaTorre, exec VP-sales, Turner Entertainment Networks, the unit that houses TNT and TBS, Turner's entertainment cable networks.

Turner recently sold one new multimedia sponsorship package to Del Monte Foods. It ties Del Monte's Vegetable Classics brand to a 50th anniversary edition home video of "Citizen Kane."

As part of the deal, a Del Monte commercial airs at the start of the videocassette, and the company is being mentioned in 15- and 30-second on-air promo spots on Turner networks.



Turner and Del Monte are linking up in a classic promotion.

The promotional spots broke late last month and tell consumers to look for a special offer in retail video stores and in national free standing inserts.

The first FSI, headlined "A classic offer," ran Sept. 8 and offers consumers a special deal on "Citizen Kane" and three other videos from Turner with proofs-of-purchase from Del Monte Vegetable Classics.

Del Monte will support the promotion, running through yearend, with additional FSIs and in-store ads.

Del Monte has allocated its entire cable budget for the next two quarters to Turner networks, Mr. Cunningham said, but declined to release specific dollar amounts.

McCann-Erickson Worldwide, San Francisco, is Del Monte's agency and helped develop the media and promotional package.

Turner is shopping another package called "Save the Earth," centered on special environmental programming blocks set to be telecast on TBS next February and May.

Sponsoring marketers would get tagged on promo spots and could tie into a related video and book to be published in more than 120 countries.

Another sponsorship deal involves the video release marking the 50th anniversary of "Casablanca," scheduled for second quarter 1992, where advertisers could hook up with the video and a related book.

Turner has presented proposals to Saatchi & Saatchi Advertising, New York, and the agency is evaluating the packages for its clients, said Betsy Frank, Saatchi's senior VP-director of TV information and new media.

Saatchi buys TV time for such clients as Procter & Gamble Co., a leading cable TV spender.

Eventually, the packages will include Turner's newer, place-based media ventures, such as Checkout Channel and Airport Channel.

Checkout Channel is a TV medium situated at supermarket checkout lanes; Airport Channel is a similar network located in airport departure terminals. Both services are in test.

Turner is also discussing the creation of customized media packages with several publishing companies.

"You're going to see a lot more cross-promotional opportunities for marketers, specifically by tying in with publications," Mr. Cunningham said. □

Buyers

(Continued from Page 3)

Advertising, and Y&R will start pitching media services alongside those of the major independent buyers through the Media Service Register, a new venture of the Advertising Agency Register.

Those agencies and others have produced slick presentation tapes of their media credentials that AAR will send to 3,000 clients.

"Our biggest competition is not other independents, it is the [ad] agencies," Mr. Staab said.

Since agencies must maintain fully staffed media departments, their costs are fixed and any new media billings are incremental, he said. As a result, agencies can often "outbid" independents on commission rates because their margins are better, he said.

Still, independents are increasing billings at a faster rate than full-service agencies.

No. 1 independent Western International Media, Los Angeles, recently has picked up buying assignments from Bally Manufacturing Co. and Vons Cos. It was also instrumental in helping Walt Disney Co. place $100 million with Carat Espace, Paris.

SFM appears to be narrowing the gap. While Western International claims billings of nearly $1 billion, industry executives say it's actually about $700 million.

Moreover, the majority of Western International's billings comes from buying media for small ad agencies that don't maintain their own buying departments.

SFM, on the other hand, primarily handles advertisers' national accounts directly. □

Kroger Atlanta splits account 4 ways

ATLANTA—The full-service ad agency concept took a hit last week when the regional Kroger Food Stores account was split among several small boutiques.

Finalists at various points in the competition to succeed former national agency Campbell-Mithun-Esty, Chicago, included Austin Kelley Advertising, Fitzgerald & Co., McCann-Erickson Worldwide, J. Walter Thompson USA and Ross Roy Inc., all here, plus W.B. Doner & Co., Baltimore.

But creative responsibility for the account, with an estimated $8 million to $10 million in annual spending for TV and radio, was given to Creative Consultants, a two-person creative boutique. Media planning and buying was assigned to Massotti's Media Services, and Metier Marketing was assigned strategic planning, communication development and research. Phelan & Lowry was hired for special promotions and community and employee relations programs.

Kroger had asked finalists to present a "menu" of their services, from which the retailer said it would pick and choose services. Austin Kelley, Doner and Fitzgerald withdrew from the competition at that point, a Kroger source said. JWT also withdrew, but because its Los Angeles office was pursuing the Safeway Stores account.

"None of the [big] agencies really got the gist of what was asked of them," this source said. "They were asked for a portfolio of services and were told, 'You'll be paid well for your services, but you won't be paid on a traditional percentage basis for anything.' "

The Kroger Atlanta account, one of the chain's largest, is the fourth region lost by CME since the supermarket decided to decentralize its broadcast advertising function this summer. The national account was valued at $22 million.

Kroger regions in Indianapolis; Nashville, Tenn.; and Roanoke, Va., have retained CME.

CME is still a finalist in the Columbus, Ohio, region's review, but not in Memphis, Tenn.; no decision has been made by the Detroit or Louisville, Ky., regions. □

Ayer

(Continued from Page 3)

McCann, then represented in 46 countries.

But when Ayer lost Pan Am to Doyle Dane Bernbach in 1981, 20 associate agencies left the network.

Ayer later that year won the $10 million Deere & Co. account in Europe, Africa and the Middle East, and Chairman Louis Hagopian spoke of plans to spend heavily to rebuild by buying majority stakes in its overseas agencies.

But it was already too late.

Ayer was dropped by Nestle, one of the first big clients to align its agencies internationally. It lost a shoot-out for the $40 million Goodyear Tire & Rubber Co. account to JWT, and potential global business from clients AT&T Co. and Gillette Co. never developed. Today, Ayer handles Procter & Gamble Co. business, but only in the U.S.

Throughout the '80s, many independent agencies sold themselves to gain international networks. Ayer nearly merged with D'Arcy MacManus Masius in 1985, but Benton & Bowles beat it to the altar.

So despite having spent millions, Ayer appears to have been left behind, with minimal presence in Asia and Latin America. Its European network ranks in the top 10 shops only in Spain.

The U.K. in particular is a problem, because it's often the focus of pan-European assignments.

In London, Ayer has been sliding from No. 36 in 1988 to No. 43 in 1990 with billings of $60 million, putting it behind all other U.S. agencies in London except relative newcomers Bozell and Chiat/Day/Mojo.

Ayer has been tinkering with the London agency for several years and has been looking for an acquisition to beef it up.

But other agencies have already found solutions to similar problems in the past few years.

Lintas:Worldwide and BBDO Worldwide, among others, have found themselves with such feeble London agencies that they couldn't hold onto international business or win local clients in the U.K.

Both bought into excellent local agencies and are now thriving as Still Price:Lintas and Abbott Mead Vickers/BBDO.

Similarly, TBWA Holmes Knight Ritchie and BMP DDB Needham are far stronger agencies than TBWA and DDB Needham Worldwide used to be in the U.K.

To find a solution, Dick Hedger, 53, was hired earlier this year as chairman-ceo of Ayer Europe.

The former Saatchi & Saatchi executive is energetically pursuing his job, but it's unclear whether he's looking to buy more agencies, sell existing ones or merely foster an Ayer network spirit in Europe.

Recently, several Ayer executives in Europe have mentioned the possibility of a European management buyback, among other options, though others have denied they've heard the idea.

Last week, executives for Wilkens Ayer, Hamburg, were unavailable to elaborate on any buyout proposals.

Mr. Hedger is on the road so much even his secretary isn't sure where he's off to next.

"He was in two places in Germany yesterday and he's in Holland today," she said. "Then he's going . . . uh . . . somewhere else."

One London agency executive said he might be interested in having talks with Ayer, except that he couldn't reach Mr. Hedger.

Mr. Hedger didn't return phone calls last week. In an interview in May in New York, shortly after starting his new job, he said: "Ayer bought a number of good agencies. Still, the agencies that Ayer bought are not really Ayer."

He said his first objective is to make them "really Ayer." And "not to take away the good things" the agencies do.

Eight of Ayer's 15 agencies in Europe are affiliates in which Ayer has no equity. Ayer has a minority stake in France and Portugal and owns a majority in Spain, Italy and Germany. The U.K. shop is the only agency in Europe Ayer owns 100%.

Despite sharing some accounts, the agencies don't really operate as a network, so Mr. Hedger sees his job "to consolidate as a network."

The reputation of Ayer—which is No. 19 among the top 20 European agency networks when ranked by gross income by equity—"is not bad," he said. "It's just not strong. It's not top of mind."

Outside London, there are bright spots: Ayer owns a majority in one of Spain's best agencies, TAPSA/N W Ayer, and is also a majority shareholder in creative, fast growing shops in Italy and Germany.

Of Ayer's few pan-European clients, Spanish automaker SEAT and Iberia Air Lines of Spain are there largely because of Ayer's strong Spanish agency.

And Wilkens Ayer in Germany brought in the Beiersdorf business, now held in six European countries and Mexico.

Fernando Ocana, chairman of TAPSA/N W Ayer, Madrid, said Mr. Siano is always open to ways of improving the European network.

"Ayer has never been 100% multinational owned, it's always had local participation," he said. "Ayer and Jerry Siano have always wanted their key people to participate more and more, in Europe and globally."

In the Asia/Pacific region, Ayer's sale of its New Zealand agency this summer completed a withdrawal that started in 1989 when the U.S. agency sold back its 49% stake in Connaghan & May Ayer, Sydney, to local management.

"Ayer's lack of global business at this end of the world determined our decision to sell," Pip Muir, former ceo of Ayer New Zealand, Auckland, said in July when Ayer sold its New Zealand operation to Walkers Advertising.

Contacted in New York last week, Ms. Muir, who's exploring future opportunities at Ayer, said: "From Ayer's point of view, it was not a competitive network [in the Asia/Pacific region]. It was a good time to sell. We had created an excellent, high creative profile." □

Contributing to this story: Nancy Giges, Geoffrey Lee Martin, Anna Masera, Bruce Crumley and Dagmar Mussey.

NOTE

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September 23, 1991

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Tony Orlf

Holiday shoppers to go downscale

Economy dulls sparkle of upscale gifts

An Advertising Age roundup

It's beginning to look a lot like a lean Christmas.

Downscale is in, along with mass merchandisers, warehouse clubs and outlet stores, retail insiders say.

Out are high-end designer names, department stores like Neiman Marcus Co. and Saks Fifth Avenue, and upscale specialty retailers like Sharper Image Corp., Williams-Sonoma and Hammacher, Schlemmer & Co.

HOLIDAY MARKETING

"Stores like Kmart, Radio Shack and warehouse bed and bath shops will be filled this holiday season, but people are going to eschew pricey items and expensive labels," said Kurt Barnard, publisher of *Retail Marketing Report*. "This is the kind of Christmas where people stay home and make things rather than eating out and dressing up."

Consumer confidence remains extremely low due to the recession, and though economists predict a gradual improvement, no immediate economic upturn is expected.

In a national survey conducted last month by Leo J. Shapiro & Associates, 40% said they expect to spend less on gift-giving this year than they did last year, while 30% expect to spend more and 30% expect to spend the same. That's a gloomier forecast than the August 1990 survey, when 34% expected to spend less. The survey was conducted among a national sample of households, with 450 people participat-

(Continued on Page 44)

Fight looms over TV clutter

Agencies say CBS move voids upfront deals

By Joe Mandese

Major ad agencies are on the warpath against the rise in commercial clutter on network TV and are threatening to renegotiate their upfront buys.

Setting off their wrath was CBS, which recently approached agency media executives about its plan to redistribute the number of prime-time commercials it airs.

The network said it plans to keep its overall prime-time commercial load the same but would move units into higher-price, hourlong shows like "60 Minutes" from lower-price, hourlong programs like "Rescue: 911."

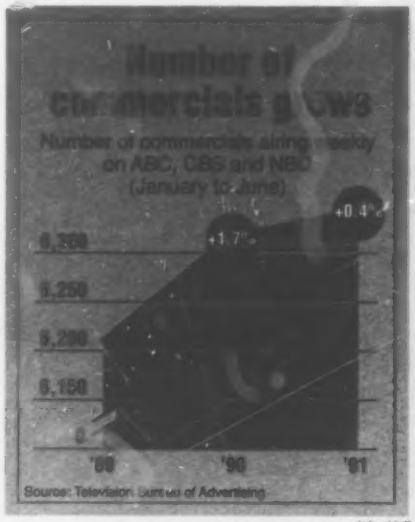
Agency executives say if CBS proceeds with its plan, they want to renegotiate their upfront deals.

"We don't think it's acceptable to do after we've made our deals," said Richard Kostyra, New York-based exec VP-director of media services at J. Walter Thompson USA. "I would expect that advertisers who bought into a program thinking there was going to be 7 commercial minutes [and] suddenly find out there are 8 are due some form of compensation."

While CBS has openly approached agencies about its plans, ABC and NBC began adding commercial time during the mid-1980s without telling the ad community.

Through the first six months of 1991, the number of commercials airing weekly on the Big 3 networks increased 0.4% to 6,342, compared with the same period in 1990, ac-

(Continued on Page 42)



John Hall

No more 'monsters'

Volvo carefully documents new advertising

By Raymond Serafin

In its first campaign since the "monster truck" ad scandal, Volvo will again use dramatic demonstrations to illustrate safety. But this time, video cameras and still photographs documented that there was no foul play.

The first major image work for Volvo from Messner Vetere Berger Carey Schmetterer, New York, is said to feature a spot for the new Volvo 960 sedan in which the passenger compartment stays intact after the car is hit from behind during a rainstorm and crashes head-on into a wall.

Officials at Volvo Cars of North America and the agency wouldn't talk about the campaign until after dealer previews Oct. 4 to 6; ads break Oct. 7.

A source familiar with the production of the crash commercial said Volvo and

"The production company and the agency made it clear that we shouldn't modify the car in any way."

Messner Vetere took stringent on-set precautions to guard against a repeat of what happened a year ago, when the roof of a Volvo car was reinforced before an oversize

(Continued on Page 42)

LAST MINUTE NEWS

Chevy trucks trade 'Heartbeat' for 'Rock'

WARREN, Mich.—Chevrolet will drop its "Heartbeat of America" music in 1992 model-year truck ads, replacing it with the Bob Seger song "Like a Rock," said sources familiar with the campaign. The campaign, to be unveiled this week, is said to focus on the emotional bond between drivers and their trucks. Lintas:Campbell-Ewald handles.

Warner readies retail stores

BURBANK, Calif.—Warner Bros. will open four Warner Bros. Studio stores, similar to the Disney Store retail units, by Nov. 1 in Los Angeles; Schaumburg, Ill.; Danbury, Conn.; and Fairfax, Va. At 6,000 to 8,000 square feet, the stores will be about twice the size of the average Disney store. Newspaper, radio and outdoor ads, created in-house, support.

Ciba-Geigy mulls media buying setup

NEW YORK—Ciba-Geigy Pharmaceuticals has begun a review of independent media buying services, and that could lead to a consolidation of assignments, buying sources said. The company spent an estimated $38 million on media in 1990, according to LNA/Arbitron Multi-Media Service. Both a corporate spokesman and a spokesman for

(Continued on Page 8)

INSIDE

James Brady finds someone who doesn't like Ovitz. **Page 26.**

Ad Review: Garfield tries on Calvin's ads. **Page 46.**

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NEWS SUMMARY

■ **Christmas season** sales will favor downscale products and mass merchandisers, observers predict. 1

■ **CBS' plan** to redistribute its prime-time commercials this season drew threats from major ad agencies, worried about clutter, to renegotiate their upfront deals. 1

■ **Volvo's** new ads will use dramatic demonstrations to illustrate safety, documenting their veracity in light of earlier charges its "monster truck" commercial was rigged. 1

■ **MCI and Sprint** pounced on AT&T's telephone outage on the East Coast last week with ads touting their reliability. AT&T planned new ads to rebuild consumer confidence. 3

■ **Ford and Lincoln-Mercury** cut back on the number of magazines carrying their 1992 model-year advertising, but will increase frequency in the remaining publications. 3

■ **'Time' magazine** is being revamped and will likely broaden its editorial format. 3

■ **Nutri/System** moved the creative portion of its $30 million account to Lotas Minard Patton McIver from FCB/LGK. . 3

■ **ABC-TV** has sold rights to produce and sell commercials for NCAA basketball games appearing on ABC to Raycom. . 4

■ **Leo Burnett Co.** named Richard B. Fizdale chairman-ceo, effective Jan. 1, succeeding Hall "Cap" Adams. 4

■ **Lowe Group,** an Interpublic unit, is negotiating to buy Scali, McCabe, Sloves from WPP Group. 4

■ **Coors Brewing Co.** will start advertising for non-alcoholic Coors Cutter next month. 4

■ **Radio stations'** local marketing agreements are under scrutiny by the Federal Trade Commission. 12

■ **Europeans** will increasingly favor U.S. products, according to a survey from Henley Centre. 16

■ **Kuwait** has resumed TV advertising, but advertisers want rate reductions due to a 38% drop in population. 16

■ **Northwestern University** has introduced integrated marketing to replace its graduate advertising program. 17

■ **Unnamed products** are stars of ad campaigns from Philip Morris USA (believed to be for Merit cigarettes) and McCain Citrus for Boku fruit juice drinks. In both cases consumers mail in for samples of the unnamed products. 17

■ **Magazine ad pages** fell 10.2% in August from a year ago, according to Publishers Information Bureau. 28

■ **National Advertising Division** handled 14 ad self-regulation cases in its latest report, including American Greetings' sales leadership claims for its Forget Me Not cards. ... 38

■ **Nike** is preparing a commercial for its Air Flight Lite line in which Chicago Bulls star Scottie Pippen is transported back to the 1950s. It will break next month. 46

■ **Conde Nast Publications** named Julie Lewit-Nirenberg publisher of *Mademoiselle* and Lawrence Burstein publisher of *Self*. Both come from outside the company. 46

DEPARTMENTS

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Ad slide dogs titles

Few magazines make page gains in August

By Scott Donaton

Magazine publishers have a whole new definition for the dog days of summer.

Magazine ad pages fell 10.2% to 10,263.6 in August from a year earlier, Publishers Information Bureau reported. For the first eight months, pages totaled 96,034.9, down 10.3%—a staggering 11,064.5 pages—from the same period in 1990.

Among the top 10 magazine ad categories, only computers and office equipment posted gains in both pages and revenues after eight months *(see chart)*. Nine categories were down in pages while eight fell in revenue.

The severity of the ad page drought showed in the weak August performances of several titles. *Metropolitan Home* saw pages fall 49.6% to 45.7 for the month; it posted a year-to-date decline of 29.6%. *Architectural Digest's* 116.5 pages for August were down 46.8% (down 31.8% for January-August). *Esquire's* August pages were down 40.7% to 53.2 (down 34.3% for the year). *European Travel & Life*, with 21 pages, was off 37.8% for August and 15% for the year. And *Reader's Digest* fell 35.4% to 41.9 pages for August; it was down 19.7% for the year.

MEDIA WORKS

Conversely, *Penthouse* continued to show solid gains with August pages up 70% to 63.1. *Decorating Remodeling* was up 64.5% with 54 pages, and *Soap Opera Digest* was up 39.4% with 26.2 pages. Year-to-date gains were 18.4%, 3.5% and 6%, respectively.

In the national Sunday magazine category, *Parade* carried 477.5 ad pages through August, an increase of 7.3%. *USA Weekend's* 422.4 pages for the period were down a slight 0.5%.

Local Sunday magazines didn't fare as well. *The New York Times Magazine* pages dipped 26.2% to 1,652.3 through August; the *Los Angeles Times'* Sunday magazine was down 5.5% with 555 pages.

Although *Bride's* became the first magazine of the year to top the 2,000-page mark, its 2,220.1 ad pages were down 5.7% from the year before. Second-ranked *Business Week's* 1,930.6 pages were down 22.8%. *Modern Bride* was a close third with 1,927.8 pages, an increase of 1.9%.

The remainder of the top 10—*People, Forbes, Fortune, Vogue, The Economist, TV Guide* and *Sports Illustrated*—all suffered double-digit declines.

Modern Bride was one of just two top 20 titles with an increase in ad pages through August. The other was No. 15 *Golf World*, up 0.3% with 1,141.4 pages.

Many titles published by Family Media, which shut down last month, may disappear from the PIB list after the August report. *1,001 Home Ideas* saw pages drop 25.2% to 338.2 for the first eight months; *Golf Illustrated's* 362 pages were down 12.5%; *Health*, whose subscription list was recently bought by rival *In Health*, was up 8.6% with 275 ad pages; *HomeOwner* was up 11.4% with 184.8 pages; and *World Tennis* had 289.6 pages, up 0.6%.

Discover, recently bought by Walt Disney Co. and resuming publication with the November issue, was off 14.3% through August with 227.3 pages. □

Top 10 magazine ad categories by revenue

Category	1991 revenue	% chg	1991 pages	% chg
Automotive*	$554,659,063	(1.9)	9,762.4	(10.1)
Toiletries & cosmetics	$406,812,905	(2.8)	8,480.5	(10.5)
Direct response	$358,096,140	8.6	11,785.9	(0.4)
Food	$275,274,290	(6.8)	4,449.9	(14.8)
Business & consumer svcs.	$254,383,615	(17.6)	6,800.3	(21.5)
Apparel**	$231,748,634	(7.8)	8,127.5	(9.4)
Travel, hotels & resorts	$228,150,123	(7.9)	7,109.9	(9.9)
Cigarettes & tobacco	$181,417,290	(5.4)	3,018.8	(9.9)
Computers & office equip.	$157,007,065	10.9	3,344.5	2.2
Liquor	$124,478,624	(4.3)	2,631.8	(5.6)

The top 10 categories account for 71% of total advertising. Revenue and page figures are from January-August 1991. *Includes accessories and equipment. **Includes footwear and accessories. Source: Publishers Information Bureau

Magazine ad page leaders

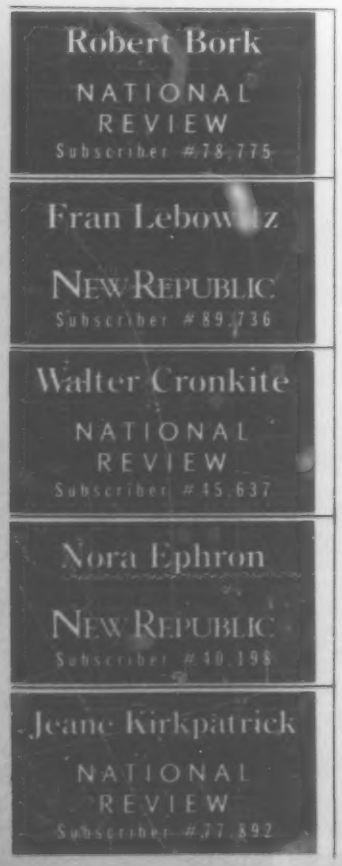
Publishers Information Bureau figures for January through August 1991.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Bride's	2,220.07	(5.7)	41,787,812	(0.1)
2	Business Week	1,930.64	(22.8)	117,374,548	(16.3)
3	Modern Bride	1,927.77	1.9	30,881,390	0.1
4	People	1,842.07	(14.4)	192,080,851	(5.4)
5	Forbes	1,831.01	(17.3)	82,508,235	(14.2)
6	Fortune	1,621.51	(19.6)	85,905,548	(11.4)
7	Vogue	1,465.31	(12.9)	59,075,308	(5.1)
8	The Economist	1,463.34	(11.8)	13,897,432	(3.4)
9	TV Guide	1,446.52	(16.9)	170,188,266	(9.8)
10	Sports Illustrated	1,330.78	(14.7)	182,589,157	(6.9)
11	Entrepreneur	1,311.59	(0.1)	14,314,996	13.6
12	New York Magazine	1,289.11	(16.7)	22,381,203	(11.2)
13	Cosmopolitan	1,258.22	(6.4)	81,078,380	(0.2)
14	Time	1,244.05	(20.7)	187,588,647	(12.9)
15	Golf World	1,141.45	0.3	-10,130,044	10.6
16	U.S. News & World Report	1,102.43	(5.2)	94,117,854	1.5
17	Newsweek	1,101.20	(17.0)	129,405,399	(11.8)
18	Glamour	1,039.65	(9.3)	56,545,535	(4.5)
19	Skin Diver	983.58	(0.8)	10,034,000	7.4
20	Good Housekeeping	979.91	(6.8)	102,490,674	3.0
21	The New Yorker	977.00	(23.0)	27,404,063	(16.6)
22	Rolling Stone	963.67	(17.0)	39,445,635	(8.8)
23	Elle	955.76	(23.9)	32,047,205	(14.6)
24	Muscle & Fitness	944.57	13.1	17,223,146	20.3
25	American Way	922.50	(16.3)	13,752,035	(8.5)
26	Sunset	907.30	(7.9)	27,041,626	(10.5)
27	Ladies' Home Journal	906.55	(3.2)	70,652,440	4.7
28	Family Circle	901.52	(12.7)	78,356,547	(7.2)
29	Yachting	888.16	(16.3)	5,842,532	(11.9)
30	GQ	877.02	(20.9)	24,162,360	(12.1)
31	Car & Driver	846.22	0.8	33,577,784	4.6
32	Popular Photography	842.29	4.9	20,088,675	4.2
33	Parents	838.52	(7.1)	37,495,160	1.6
34	Texas Monthly	833.88	(2.8)	9,715,416	0.7
35	Golf Digest	827.13	(10.8)	48,254,305	1.9
36	Mademoiselle	817.70	(13.8)	28,898,191	(8.1)
37	Architectural Digest	815.90	(31.8)	23,413,077	(26.2)
38	Travel & Leisure	805.77	(5.8)	34,251,356	(2.5)
39	Better Homes & Gardens	797.54	(1.3)	99,060,673	9.3
40	Golf Magazine	758.02	(8.2)	28,143,846	2.6
41	Woman's Day	742.47	(17.4)	57,914,886	(11.0)
42	Southern Living	738.26	(10.1)	39,191,167	(4.7)
43	Bicycling	733.44	(7.9)	11,163,896	0.3
44	Money	731.94	(6.7)	50,135,330	3.5
45	Vanity Fair	715.48	(6.3)	25,727,696	(5.2)
46	Road & Track	713.33	(2.9)	21,810,953	(0.3)
47	W Magazine	683.93	(17.2)	15,931,247	(16.4)
48	Salt Water Sportsman	672.80	(18.7)	4,765,421	(10.3)
49	Jet	670.50	(0.6)	11,891,505	3.9
50	Seventeen	668.60	(23.9)	23,640,593	(10.3)
51	Redbook	666.59	(6.2)	44,389,163	(1.3)
52	Gourmet	665.31	(11.6)	19,992,664	(0.9)
53	Harper's Bazaar	624.83	(19.0)	16,394,556	(11.4)
54	Ebony	620.85	(11.6)	24,011,841	(3.1)
55	Black Enterprise	619.28	(4.4)	9,183,892	6.4
56	McCall's	618.52	0.4	49,809,664	10.0
57	Conde Nast Traveler	617.94	(2.9)	18,565,520	4.0
58	Four Wheeler	617.12	(7.0)	5,668,577	6.9
59	Country Living	596.72	(15.1)	27,119,073	(4.2)
60	Self	572.66	(27.5)	23,715,804	(22.0)
61	Town & Country	569.50	(34.9)	15,779,065	(25.3)
62	Motor Trend	565.88	(6.0)	22,190,122	2.2
63	Bon Appetit	560.25	(14.3)	18,148,646	(8.5)
64	Inc.	555.30	(18.1)	25,152,255	(9.0)
65	San Francisco Focus	551.54	(24.9)	3,814,077	(22.7)
66	Outside Magazine	546.89	10.9	11,168,845	24.8
67	Reader's Digest	546.45	(19.7)	60,819,784	(15.1)
68	Automobile Magazine	536.11	4.3	13,972,705	42.0
69	Compute	535.45	NA	4,773,147	NA
70	Mirabella	529.62	(11.3)	11,044,116	16.8
71	Smithsonian	527.85	(11.8)	23,706,037	(7.8)
72	HG	522.56	(15.6)	14,235,307	(6.5)
73	Entertainment Weekly	521.77	(0.4)	12,581,593	14.4
74	Hot Rod	513.01	(6.8)	12,983,177	(1.8)
75	Metropolitan Home	509.93	(29.6)	18,456,772	(19.8)
76	Working Woman	509.34	(13.8)	17,033,611	(6.9)
77	Essence	502.87	(12.6)	14,095,663	(2.7)
78	Delta Sky	498.40	(9.9)	14,145,035	3.2
79	Esquire	491.47	(34.3)	16,362,855	(30.7)
80	Parenting	485.77	9.9	11,443,295	46.3
81	Penthouse	482.02	18.4	19,687,166	17.5
82	Sports Afield	477.59	(7.5)	10,168,709	2.5
83	Parade*	477.45	7.3	245,834,640	14.7
84	Field & Stream	476.25	(8.1)	22,695,331	3.9
85	Playboy	476.23	7.8	31,181,122	4.6
86	Outdoor Life	476.14	(7.4)	16,181,768	2.8
87	New Woman	471.08	(19.5)	13,040,156	(9.0)
88	Tennis	469.24	(2.9)	16,453,880	3.7
89	Popular Mechanics	456.00	(12.0)	16,478,983	(2.2)
90	Popular Science	451.69	(8.1)	14,139,694	1.5
91	Bassmaster	449.75	(8.3)	9,337,257	(3.9)
92	House Beautiful	435.67	(6.3)	17,897,307	6.7
93	Shape Magazine	434.96	2.6	7,423,118	(6.1)
94	Omni	434.31	11.6	11,925,924	(4.6)
95	Premiere	432.24	(11.5)	8,757,360	0.2
96	Yankee	427.13	(10.4)	5,642,322	(1.1)
97	USA Weekend*	422.41	(0.5)	83,874,036	14.9
98	Working Mother	418.84	(9.9)	10,444,727	(3.6)
99	Financial World	416.27	(38.0)	9,922,388	(37.0)
100	Atlantic	382.51	(3.9)	7,033,651	8.7

Percent change compares January-August in 1991 with 1990. *National Sunday magazine, tracked separately by PIB. Source: Publishers Information Bureau

MEDIA MIX

News briefs on print, electronic and alternative media.



Letter from the editor. *Conde Nast Traveler* in its October issue —which includes the results of its "readers' choice" survey—invites readers to join a new "Reader Advisory Panel." The magazine will survey the panel on various lifestyle and travel-related issues on behalf of advertisers, which can use the information to better tailor their marketing efforts, said Publisher Thomas Florio. "It's really putting the reader and the advertiser together to talk to each other," he said. The monthly expects 5,000 to 10,000 readers to join the panel, which the editorial staff also will poll.

ABC-TV tunes in radio promos. In an effort to reach more finely targeted audiences than traditional network TV fall promotion strategies, ABC this month is using local radio promotions to back three new series: "Home Improvement," "Sibs" and "Good & Evil." Tie-ins with local radio stations and some advertisers in eight markets are customized to each show. For example, KEGL-FM, Dallas, and Elliot's True Value hardware store are sponsoring a "Handy Man Hero" contest promoting "Home Improvement." The radio listener who calls in the worst home repair horror story wins a $1,000 shopping spree at Elliot's.

Vote of unconfidence. Political ad spending on TV is projected to total $230 million in 1992, up only 0.9% from 1988, the Television Bureau of Advertising reported. "While we expect record spending by political candidates next year, it will hardly be a windfall for broadcasters, especially in the context of the current depressed media economy," said bureau President Jim Joyella. TvB projects $200 million in spot and local spending, up 5.8%, and $30 million in network spending, down 23%.

Separately, TvB estimates total U.S. TV ad spending will rise 4% to 6% in 1992, up from a projected $27.7 billion for 1991. Network TV is expected to grow 4% to 6%; spot and local TV, 3% to 5% each; syndication 7% to 9%; and cable TV 8% to 10%.

Hachette job. Hachette Magazines is redesigning the 24 service-oriented titles of its *Woman's Day* Special Interest Publications. The first of the remodeled publications, *Home Decorating Ideas*, appeared on newsstands Aug. 27.

CNN and Tass hit the books. Turner Broadcasting System's Cable News Network and Tass, the Soviet news agency, have reached an agreement to publish a book of photos and text about the recent coup attempt in the Soviet Union. The book is tentatively titled "Three Days That Shook the World: The Collapse of Communism in the Soviet Union" and will be produced by Turner Publishing, a division of Turner Broadcasting System. □

Joe Mandese coordinates MediaWorks.

CONSUMER MAGAZINE AD LINAGE

	August 1991	August 1990	Year-to-date 1991	Year-to-date 1990
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	113.8	125.6	1,025.9	1,186.9
Automobile Magazine C.	66.8	69.2	536.1	513.9
Car & Driver C.	98.6	118.3	846.2	839.4
Car Collector & Car Classics	27.0	21.0	174.0	170.0
Car Craft	58.7	68.3	485.4	562.5
Circle Track	73.6	73.6	661.3	664.7
Cycle	45.3	35.4	340.8	337.5
Cycle World	45.2	32.2	380.0	372.1
Dirt Rider	31.0	38.1	326.8	337.3
Dune Buggies & Hot VWs	80.9	79.0	557.2	571.9
Easyriders	37.1	30.2	311.3	218.8
Family Motor Coaching	158.0	169.2	1,309.5	1,338.3
Four Wheeler C.	76.0	91.5	617.1	663.6
Hot Rod C.	56.1	67.8	513.0	550.2
Motorcyclist	47.4	32.6	385.1	352.2
Motor Trend C.	47.8	107.0	565.9	601.9
Motorhome	86.1	94.2	654.6	765.5
Petersen's 4 Wheel	84.3	89.7	567.9	654.7
Rider	27.9	26.7	261.6	276.7
Road & Track C.	68.7	95.2	713.3	734.3
Trailer Life	79.8	90.1	664.9	731.4
Total Group	**1,429.8**	**1,554.9**	**11,897.9**	**12,444.0**
% change	**-8.0%**		**-4.4%**	
■ Boating & yachting				
Boating	70.6	78.4	760.4	1,011.4
Chesapeake Bay	24.5	36.5	234.7	349.0
Cruising World	89.9	101.4	805.4	855.8
Lakeland Boating (11X)	51.9	56.0	514.7	637.5
Motor Boating & Sailing	66.1	72.0	776.8	974.3
Sail	92.8	91.7	792.8	868.0
Sailing World	41.7	54.3	385.8	418.3
Trailer Boats (11X)	27.8	27.5	438.5	536.6
Yachting C.	85.4	103.5	888.2	1,061.4
Total Group	**550.6**	**621.3**	**5,597.1**	**6,712.3**
% change	**-11.4%**		**-16.6%**	
■ Civic/fraternal				
Elk (10X)	16.5	17.3	111.9	110.6
Kiwanis	26.5	16.6	128.6	118.1
Lion (10X)	—	—	56.2	33.7
Rotarian	10.2	12.6	120.1	121.8
V.F.W. (11X)	27.7	31.0	197.4	195.8
Total Group	**80.9**	**77.5**	**614.2**	**580.0**
% change	**4.4%**		**5.9%**	
■ General				
American Health (10X) C.	—	—	197.0	298.2
American Heritage (8X) C.	—	—	204.6	98.7
American Legion	25.0	31.7	256.1	228.5
Art & Antiques (10X) C.	—	—	343.5	476.2
ARTnews (10X)	—	—	533.5	721.2
The Atlantic A. C.	38.9	31.1	382.5	397.9
Bon Appetit A. C.	55.3	67.2	560.3	653.6
Buena Salud	24.3	—	209.9	107.9
Cable Guide C.	25.5	24.5	195.2	214.2
Caribbean Travel & Life (7X)	—	—	222.9	154.7
Conde Nast Traveler C.	45.5	60.1	617.9	636.3
Connoisseur C.	19.3	24.2	314.3	420.9
Consumers Digest (6X) C.	—	—	86.4	98.5
Cooking Light C.	—	—	230.7	237.3
Country America (10X) C.	—	—	271.5	177.7
Departures N. America (6X)	42.5	31.7	214.9	161.5
Ebony C.	66.4	74.4	620.9	702.4
Endless Vacation (8X) C.	—	—	127.8	187.7
European Travel & Life (10X) C.	21.0	33.8	261.7	308.0
Food & Wine C.	36.3	38.9	335.5	429.6
Golden Years (6X)	—	—	112.7	132.9
Gourmet C.	50.1	56.7	665.3	752.7
Harper's Magazine A. C.	25.5	24.5	237.1	242.8
Islands (6X)	—	—	326.7	243.0
Kiplingers Personal Finance C.	34.7	53.8	355.0	426.4
Let's Live	33.0	49.0	338.0	384.0
Life C.	31.3	25.8	319.5	422.2
Longevity C.	40.8	37.0	349.5	278.2
Mature Outlook (6X) C.	—	—	163.1	140.6
Modern Maturity (6X) C.	30.4	38.5	128.1	148.1
Money C.	80.7	76.1	731.9	784.0
National Geographic C.	20.9	19.8	183.3	173.9
National Geographic Traveler (6X) C.	—	—	168.7	184.2
Natural History C.	23.2	28.8	245.8	317.9
New Choices C.	—	20.4	200.3	214.1
Prevention C.	29.8	32.1	310.4	366.8
Reader's Digest A. C.	41.9	64.9	546.5	680.6
Saturday Evening Post (9X) C.	—	—	168.3	183.5
Smithsonian C.	46.6	52.0	527.9	598.2
Spin C.	56.5	42.9	348.8	330.3
Town & Country C.	61.3	74.0	569.5	875.2
Travel-Holiday C.	—	26.1	306.3	289.8
Travel & Leisure C.	50.4	65.5	805.8	855.7
Travelhost A.	124.2	117.3	974.1	973.6
Vanity Fair C.	75.6	75.5	715.5	763.7
Yankee C.	41.3	52.5	427.1	476.5
Total Group	**1,297.9**	**1,450.6**	**10,412.1**	**10,050.1**
% change	**-10.5%**		**-9.1%**	
■ Home				
Architectural Digest A. C.	116.5	219.0	815.9	1,195.5
Better Homes & Gardens C.	81.3	83.2	797.5	807.6
Colonial Homes (6X) C.	34.7	27.3	187.0	188.7
Columbus Monthly-Homes (4X)	—	—	64.4	88.9
Country Home (6X) C.	49.2	40.6	233.7	228.4
Country Life (6X)	—	—	195.0	197.0
Country Living C.	73.2	84.6	596.7	702.6
Decorating Remodeling (8X) C.	54.0	32.8	246.3	238.0
Family Handyman (10X) C.	—	—	299.3	242.0
Florida Home & Garden	16.4	34.5	284.9	499.0
Flower & Garden (6X)	—	—	130.4	125.2
HG C.	45.6	49.9	522.6	619.1
Home C.	27.4	29.4	348.9	414.6
Home Mechanix C.	—	—	275.2	339.5
Homeowner (10X) C.	32.2	—	184.8	165.9
Horticulture (10X)	50.8	28.3	342.0	351.5
House Beautiful C.	46.8	53.1	435.7	464.8
Metropolis (10X)	—	—	316.7	358.7
Metropolitan Home C.	45.7	90.7	509.9	724.7
Midwest Living C.	56.0	63.1	275.9	277.8
1,001 Home Ideas C.	40.3	40.6	338.2	451.9
Organic Gardening (9X) C.	—	—	292.6	265.8
Phoenix Home/Garden	34.8	41.7	374.2	486.9
Practical Home-owner (9X) C.	47.9	50.6	299.2	254.2
San Diego Home/Garden	44.2	68.2	495.5	572.5
Southern Accents (11X) C.	—	—	275.4	438.6
Southern Living C.	59.4	65.4	738.3	821.0
Sunset Magazine A. C.	65.3	98.3	907.3	991.8
Workbench (6X)	—	—	119.5	102.8
Total Group	**1,021.6**	**1,201.1**	**10,902.7**	**12,607.9**
% change	**-15.0%**		**-13.5%**	
■ In-flight & other passenger				
Aboard Group (6X)	—	—	150.3	168.3
Alaska Airlines	42.3	59.8	412.0	561.5
America West Airlines	48.2	66.2	510.0	624.0
American Way (24X) C.	101.5	112.1	922.5	1,101.8
Continental Profiles	35.3	45.8	308.6	403.4
Delta Sky C.	54.4	59.6	498.4	553.2
Pan Am Clipper	22.8	36.0	235.9	358.6
Southwest Spirit	54.0	55.3	436.2	424.8
Spirit of Aloha	38.3	37.8	281.1	276.7
TWA Ambassador (10X)	26.7	32.4	208.5	298.1
United Vis 'A Vis	62.9	68.5	531.7	545.0
US Air Magazine	63.8	64.6	515.4	491.4
Total Group	**550.2**	**638.1**	**5,010.6**	**5,806.7**
% change	**-13.8%**		**-13.7%**	
■ Men's				
Esquire A. C.	53.2	89.7	491.5	747.8
Firehouse Magazine	29.0	41.4	337.9	312.4
Gentlemen's Quarterly A. C.	105.3	152.2	877.0	1,108.9
M Inc. C.	53.3	69.0	343.7	468.6
Men's Fitness	36.0	20.7	278.7	220.1
Men's Health (6X)	—	—	94.4	106.7
Muscle & Fitness C.	113.6	98.7	944.6	834.9
Penthouse A. C.	63.1	37.1	482.0	407.2
Playboy A. C.	48.0	41.0	476.2	442.0
Total Group	**501.6**	**549.8**	**4,326.0**	**4,646.6**
% change	**-8.8%**		**-6.9%**	
■ Metropolitan				
Aloha (6X)	—	—	138.0	173.0
Annapolitan	35.7	51.5	310.4	519.0
Atlanta	77.5	80.0	621.3	651.2
Baltimore	39.9	49.5	359.5	459.2
Boston	93.7	100.5	616.2	798.3
Chicago	50.7	62.7	551.5	669.6
Chicago's North Shore	79.5	88.1	598.1	709.5
Cincinnati	21.7	34.4	245.5	301.1
Cleveland	39.7	31.2	311.8	349.5
Columbus Monthly	29.3	37.1	342.3	465.6
Connecticut	58.3	63.7	467.0	659.4
D/Magazine	56.3	51.0	386.6	439.7
Detroit Monthly	38.0	44.0	344.0	437.0
Diablo	43.6	45.2	440.6	548.2
Grand Rapids	16.7	27.3	197.7	263.1
Gulf Coast (13X)	38.0	38.0	513.8	327.0
Honolulu	89.1	100.8	391.9	444.6
Houston Metropolitan Magazine	66.6	58.5	492.3	513.7
Inside Chicago (8X)	—	—	76.7	110.8
L.A. Style	67.5	108.5	560.5	830.6
Los Angeles	127.9	159.2	749.6	1,096.8
Louisiana Life (6X)	—	—	110.8	120.9
Madison	28.0	38.0	260.0	322.0
Memphis	101.0	109.0	426.9	453.1
Mid Atlantic Country	59.3	49.4	421.0	367.1
Milwaukee	57.8	58.5	446.0	451.3
Minneapolis/St. Paul	104.3	87.7	655.6	786.4
Minnesota Monthly Mag.	61.9	61.4	407.0	503.4
New Jersey Monthly	55.9	64.9	356.2	523.2
New Mexico	51.4	60.0	344.2	350.3
New York Woman (10X)	24.6	33.7	190.0	261.7
Ohio	62.2	43.0	374.7	411.5
Orlando	67.1	76.3	682.6	724.6
Pacific Northwest (11X)	59.8	36.8	258.3	375.7
Palm Beach Life	22.1	23.9	298.6	467.9
Palm Springs Life	38.4	40.8	797.4	860.1
Philadelphia	142.3	156.9	833.2	1,003.1
Phoenix	24.2	43.1	215.6	290.2
Pittsburgh	57.2	54.7	497.7	516.8
Rhode Island Monthly	36.5	61.3	294.5	441.3
Sacramento Magazine	37.0	48.7	383.3	456.4
St. Louis	35.0	44.6	338.0	357.1
San Diego	117.4	153.2	777.4	1,039.9
San Francisco Focus C.	87.0	96.0	551.5	734.1
Sarasota (10X)	—	—	458.2	592.0
South Florida Magazine	31.6	47.9	372.5	659.6
Texas Monthly C.	87.9	89.6	833.9	857.9
The Washingtonian	95.0	112.2	745.0	997.4
Total Group	**2,614.4**	**2,922.5**	**21,045.0**	**25,801.5**
% change	**-10.5%**		**-18.1%**	
■ Music/entertainment				
Audio	52.5	75.6	567.6	652.7
Dance Magazine	36.9	35.7	436.0	430.5
Playbill	33.6	32.2	320.0	347.7
Premiere C.	47.3	51.2	432.2	488.6
Video Magazine	68.4	61.6	538.5	514.1
Total Group	**238.7**	**256.2**	**2,294.3**	**2,433.6**
% change	**-6.8%**		**-5.7%**	
■ Outdoor & sport				
Alaska	31.3	36.7	326.9	318.9
The American Handgunner (6X)	—	—	220.0	228.0
American Hunter	20.7	22.2	120.5	145.0
American Rifleman	26.5	31.0	164.4	186.9
Backpacker (8X) C.	32.8	35.1	190.2	173.6
Bassmaster (10X) A. C.	—	—	449.8	490.4
Bicycling (9X) C.	73.6	75.2	733.4	796.3
Body Boarding (8X)	38.9	63.8	162.6	191.1
Ducks Unlimited (6X)	—	—	100.3	104.1
Field & Stream C.	38.2	37.7	476.3	518.2
Fishing World (6X)	—	—	117.5	179.1
Flex	82.8	63.3	626.8	521.5
Florida Sportsman	61.8	99.2	842.1	1,024.5
Golf Digest C.	74.9	78.8	827.1	926.9
Golf Illustrated C.	46.6	47.9	362.0	413.9
Golf Magazine C.	76.3	59.0	758.0	826.1
Guns	40.0	38.0	272.0	310.0
Guns & Ammo	34.9	41.0	283.7	356.1
In-Fisherman (7X)	—	—	347.5	355.2
Outdoor Life C.	38.9	47.6	476.1	514.2
Outside Magazine C.	49.7	52.7	546.9	493.1
Petersen's Hunting	48.9	63.0	273.3	325.1
Runner's World (12X) C.	44.5	37.4	379.9	291.1
Salt Water Sportsman C.	51.7	64.4	672.8	827.6
Shooting Times	40.2	37.5	234.6	241.6
Sierra (6X)	—	—	165.9	131.8
Ski (8X) A. C.	—	—	301.6	292.8
Skiing (7X) A. C.	—	—	229.6	230.0
Skin Diver C.	118.2	122.3	983.6	991.8
Southern Outdoors (9X)	—	—	247.2	267.1
Southern/Western Links (6X)	—	—	139.0	131.3
Sport Magazine C.	31.7	27.9	252.4	231.5
Sports Afield C.	46.9	78.1	477.6	516.2
Surfing	60.3	73.7	470.0	578.3
Tennis C.	54.8	46.1	469.2	483.3
Volleyball (9X)	41.2	—	172.6	28.3
Waterski (10X)	48.0	59.0	476.0	512.0
Western Outdoors (9X)	22.2	26.0	162.7	222.2
Wind Surfing (8X)	41.6	45.1	324.6	374.3
World Tennis C.	30.8	26.5	289.6	287.9
Total Group	**1,448.9**	**1,536.0**	**15,126.3**	**16,038.6**
% change	**-5.7%**		**-5.7%**	
■ Photography				
American Photo (6X) C.	—	—	202.9	193.8
Petersen's Photographic	30.4	18.3	276.3	193.4
Popular Photography C.	102.9	97.6	842.3	802.9
Total Group	**133.3**	**115.9**	**1,321.4**	**1,190.1**
% change	**15.0%**		**11.0%**	
■ Science/electronic/mech				
Discover C.	25.0	27.3	227.4	265.4
Home Office Computing C.	27.3	32.2	265.5	357.0
Omni C.	46.5	45.5	434.3	389.3
Popular Mechanics C.	44.2	63.4	456.0	518.2
Popular Science C.	40.8	41.8	451.7	491.5
Scientific American C.	23.8	33.9	360.1	302.6
Spectrum C.	29.2	49.6	331.4	408.5
Total Group	**236.7**	**293.7**	**2,526.3**	**2,732.5**
% change	**-19.4%**		**-7.5%**	
■ Woman/fashion/service				
Bride's Magazine (6X) A. C.	525.5	584.0	2,220.1	2,354.9
Child (10X) C.	57.8	48.1	337.4	329.1
Cosmopolitan A. C.	131.0	132.6	1,258.2	1,344.8
Elegant Bride (6X)	193.1	140.5	694.6	637.6
Elle C.	104.9	151.4	955.8	1,256.4
Essence C.	75.2	68.4	502.9	575.1
Family Circle (17X) A. C.	76.7	99.0	901.5	1,032.6
Glamour C.	125.3	181.7	1,039.7	1,146.7
Good Housekeeping A. C.	102.9	108.9	979.9	1,051.5
Harper's Bazaar C.	67.2	88.6	624.8	771.2
Health C.	—	—	275.0	253.1
Imagen	61.6	94.6	553.3	678.5
Ladies' Home Journal C.	74.6	91.4	906.6	936.6
Lear's C.	34.1	41.9	289.4	398.9
Mademoiselle C.	104.3	134.2	817.7	948.5
McCall's C.	68.0	55.6	618.5	615.9
Military Lifestyle (10X)	—	—	342.0	614.2
Mirabella C.	54.0	56.7	529.6	597.0
Modern Bride (6X) C.	508.2	540.8	1,927.8	1,892.4
New Woman C.	43.4	63.8	471.1	585.4
Parenting (10X) C.	69.2	62.6	485.8	441.9
Parents Magazine A. C.	92.7	104.5	838.5	903.0
Redbook C.	68.2	68.4	666.6	710.3
Self C.	58.6	76.9	572.7	789.7
Seventeen C.	146.3	191.6	668.6	879.0
Shape C.	52.7	50.0	435.0	423.9
Soap Opera Digest (26X) C.	26.2	18.8	263.8	248.9
Teen Magazine	81.2	74.8	370.4	388.3
True Story A. C.	47.0	47.9	333.7	421.4
Victoria C.	33.7	34.4	307.0	332.5
Vogue C.	183.0	232.5	1,465.3	1,682.3
W Magazine (26X) C.	143.7	117.3	683.9	826.1
Weddings West (2X)	—	—	215.3	37.2
Weight Watchers C.	29.3	31.6	258.3	269.8
Woman's Day (15X) A. C.	81.8	64.7	742.5	899.1
Workbasket (6X)	—	—	101.1	55.3
Working Mother C.	39.4	56.1	418.8	465.0
Working Woman C.	43.2	57.6	509.3	590.7
Total Group	**3,603.8**	**3,931.9**	**25,582.4**	**28,384.6**
% change	**-8.3%**		**-9.9%**	
■ Youth				
Boys' Life C.	8.0	13.0	117.7	125.7
Campus Life (10X)	—	—	258.0	232.4
Total Group	**8.0**	**13.0**	**375.7**	**358.1**
% change	**-38.7%**		**4.9%**	
■ Business/national				
Barron's	96.3	112.7	961.0	1,102.9
Black Enterprise C.	60.4	96.9	619.3	647.6
Business Week (52X) A. C.	134.1	186.1	1,930.6	2,499.1
Economist (52X) C.	158.9	123.5	1,463.3	1,658.7
Entrepreneur C.	135.5	140.6	1,311.6	1,313.2
Entrepreneurial Woman (7X) C.	—	—	238.2	172.0
Financial World (26X) C.	42.9	67.2	416.3	670.9
Forbes (26X) C.	132.9	126.7	1,831.0	2,213.1
Fortune (26X) C.	159.1	121.5	1,621.5	2,015.9
Frequent Flyer	27.3	30.2	269.6	300.8
Futures	25.7	37.5	293.7	319.8
Harvard Bus. Review (6X) C.	—	—	202.2	229.5
Inc. Magazine C.	59.2	85.0	555.3	677.8
Income Opportunities	—	—	504.2	511.1
Industry Week (23X) A.	57.3	67.8	569.0	698.8
Nation's Bus. (12X) A. C.	16.4	19.5	187.9	193.3
Success C.	43.2	—	273.7	210.4
Total Group	**1,149.2**	**1,215.2**	**13,248.3**	**15,435.0**
% change	**-5.4%**		**-14.2%**	
■ Business/regional				
Bus. First-Columbus (52X)	74.3	89.2	765.6	705.8
Bus. Jrnl.-Milwaukee (52X)	100.8	114.8	903.2	1,142.7
Bus. Jrnl.-Sacramento (52X)	114.0	109.1	642.1	724.8
Bus. North Carolina	22.3	47.8	255.8	330.0
Capital Dist. Business Review (52X)	59.1	63.3	606.8	547.2
Caribbean Business	131.5	166.7	776.8	974.1
Corporate Rpt. Minnesota	48.3	51.1	380.4	410.2
Crain's Chicago Bus. (52X)	81.7	125.5	840.4	1,094.2
Crain's Cleveland Bus. (52X)	38.2	49.8	456.5	590.0
Crain's Detroit Bus. (52X)	50.1	74.7	500.2	690.1
Crain's New York Bus. (52X)	44.0	56.0	462.0	512.0
Florida Trend (13X)	35.4	31.1	295.0	362.1
Georgia Trend	26.2	20.3	272.8	327.4
Grand Rapids Bus. Jrnl.	47.9	46.2	412.1	427.9
Hawaii Business	118.2	133.3	436.0	465.8
Houston Bus. Jrnl. (52X)	101.0	75.0	913.6	536.7
Indianapolis Bus. Jrnl. (52X)	120.3	158.8	1,021.7	1,214.2
Nashville Business & Lifestyle B.	21.9	—	161.4	—
New England Bus. (12X) A.	17.5	28.2	174.3	244.3
New Orleans City Bus.	71.0	50.8	619.9	445.0
Pacific Bus. News (52X)	117.6	124.8	870.7	850.6
Philadelphia Bus. Jrnl (52X)	70.2	93.6	610.7	678.8
Pittsburgh Bus. Times (52X)	48.4	111.9	440.1	775.7
Providence Business News	57.7	54.1	488.2	495.2
Regardie's/Washington (7X)	75.0	90.0	427.0	776.0
St. Louis Bus. Jrnl. (52X)	124.0	98.0	875.4	736.7
Warfield's/Maryland (26X)	58.7	48.7	425.0	462.0
Total Group	**1,853.5**	**2,112.6**	**14,872.6**	**16,519.4**
% change	**-12.3%**		**-10.0%**	
■ National Sunday mags				
Parade (52X) C.	51.7	46.4	477.5	444.9
USA Weekend (52X) C.	50.0	46.2	422.4	424.4
Vista Magazine (12X)	13.3	19.8	114.9	150.7
Total Group	**114.9**	**112.4**	**1,014.8**	**1,019.9**
% change	**2.3%**		**-0.5%**	
■ Newspaper Sunday magazine				
Boston Globe	97.9	118.7	888.5	1,245.0
Chicago Tribune	68.2	90.2	686.5	928.7
Cleveland Plain Dealer	47.8	64.1	332.0	455.5
The Dallas Morning News	40.0	52.0	352.9	402.3
Detroit Free Press	26.0	46.0	268.0	403.0
L.A. Times C.	99.8	54.4	555.0	587.5
New York Times Mag. C.	188.1	252.4	1,652.3	2,238.9
Philadelphia Inquirer	51.6	60.1	487.8	690.1
Seattle Times	70.0	79.0	528.0	615.0
St. Louis Post Dispatch	75.5	66.3	634.8	585.0
Toledo Blade Magazine	25.1	33.9	254.1	280.6
Washington Post	52.8	76.8	571.6	803.0
Total Group	**842.8**	**903.8**	**7,211.5**	**9,234.6**
% change	**-15.2%**		**-21.9%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	144.8	244.8	1,450.9	1,177.2
Army Times Military Group:				
Air Force Times (52X)	110.0	109.3	1,104.6	1,156.7
Army Times (52X)	107.5	110.7	1,079.6	1,156.3
Navy Times (52X)	116.4	122.9	1,154.9	1,223.9
Capper's (26X)	20.1	18.2	215.1	228.9
Commonweal (22X)	0.3	3.3	49.1	64.5
Entertainment Weekly (52X) C.	71.8	76.8	521.8	523.7
Golf World (41X) C.	139.9	119.7	1,141.5	1,138.0
Grit (52X) A.	19.6	26.9	244.3	289.3
Jet (52X) C.	75.0	77.2	670.5	674.4
National Journal (50X) C.	23.0	26.0	359.3	424.8
National Review (25X)	24.0	15.0	260.7	234.8
New Republic (48X)	21.1	13.7	299.4	290.9
New York Mag. (50X) C.	130.8	157.8	1,289.1	1,546.6
New Yorker C.	84.5	113.8	977.0	1,268.7
Newsweek (52X) A. C.	101.1	130.8	1,101.2	1,326.6
People (51X) C.	182.1	226.6	1,842.1	2,151.4
Rolling Stone (25X) C.	113.5	151.4	963.7	1,161.2
Sporting News (52X) C.	35.1	39.2	267.9	335.1
Sports Illustrated (52X) A. C.	152.4	152.4	1,330.8	1,560.9
Time (52X) A. C.	115.3	149.6	1,244.1	1,568.9
TV Guide (52X) A. C.	125.7	143.5	1,446.5	1,740.2
US Magazine (26X) C.	32.6	43.7	291.8	450.7
U.S. News & World Report (50X) A. C.	132.2	122.8	1,102.4	1,182.3
Total Group	**2,078.7**	**2,396.0**	**20,408.3**	**22,855.9**
% change	**-13.2%**		**-10.7%**	

NOTES: Linage is given in paid ad pages. (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and % change. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. *Ad Age* makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

All-new Camry gets $120M in ads

By Cleveland Horton

Toyota is laying the groundwork for an all-out war against Honda.

Toyota Motor Sales USA has put $120 million in advertising behind its all-new Camry, a midsize sedan that competes directly with American Honda Motor Co.'s Accord.

While the Camry is already Toyota's volume leader, the Accord is the best-selling car in the U.S.

Toyota's attack started subtly last week with a few print ads and TV spots, but for the next three weeks all Toyota spots will be devoted exclusively to the Camry.

Fully 40% of Toyota's estimated $300 million-plus overall ad budget will be devoted to the Camry, said Ren Rooney, corporate marketing manager. Overall ad spending will remain "about the same" as this year, but Camry spending will jump up 77%, he said.

At that level, the Camry campaign will rival total ad spending on Honda cars (excluding the upscale Acura division).

Honda is expected to spend heavily on two redesigned models —the Civic and Prelude—but it may have to reallocate its budget to defend Accord's turf.

Some observers are surprised by Toyota's direct competition with Honda.

"This is the first time a Japanese company has publicly stated it is taking on another Japanese company," said John Rettie, editorial director at J.D. Power & Associates.

Toyota isn't alone in singling out the Accord. Ford Motor Co. is committing $100 million-plus to advertising for its newly redesigned Ford Taurus and Mercury Sable. Taurus was the top-selling car before Accord jumped to No. 1 two years ago.

The Camry still has quite a way to go before claiming the best-seller bragging rights. Honda sold 410,561 Accords in 1990; Taurus ranked No. 2 with 313,274; Camry was fifth with 284,595. Toyota's goal is to sell 300,000 Camrys in 1992.

The Camry campaign is a distinct departure from Toyota's traditional advertising, positioning the car as star rather than people.

One of four announcement spots shows a number of narrow mirrors rising into the picture, eventually revealing a full side view of the Camry. The voice-over notes how a car often reflects the values of the owner.

The announcement spots will be followed by four commercials concentrating on specific aspects of the new car.

The special effects-laden commecials feature longtime Toyota announcer actor Martin Sheen and push four aspects of the sedan: increased interior space, added safety, reduced interior noise and added power.

All the Camry ads, including print executions, carry a new theme line: "We just couldn't leave well enough alone."

The 2-year-old tagline "I love what you do for me" is in the ads but isn't spoken in the TV spots.

Saatchi & Saatchi DFS/Pacific, Torrance, Calif., handles the account.

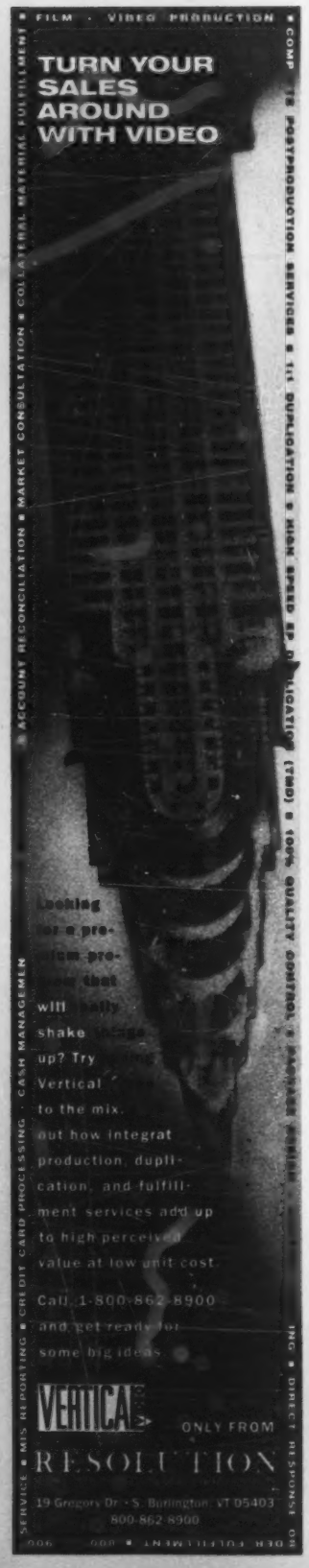
One Camry spot features Toyota's Georgetown, Ky., plant, where Camrys are assembled. The "made in America" theme may make it more appropriate for the spot markets in the Midwest, where the domestic car companies dominate, as opposed to the coasts.

Some observers believe Toyota needs to focus more attention on individual models rather than relying on the company's reputation for building reliable cars.

"Toyota itself is such a strong brand that in some cases it overshadows individual models," said Chris Cedergren, senior VP at Auto Pacific Group, a consultancy.

Apart from the Camry ads, Toyota has a bank of 20 commercials for its other models, each featuring people interacting with their cars. □

Raymond Serafin contributed to this story.



Clutter

(Continued from Page 1)

cording to the Television Bureau of Advertising.

The increase is significant because the number of 15-second spots airing weekly during the period dropped 7.4%. That indicates the increased volume wasn't because more shorter-length spots were being sold but because there was more commercial time.

Network sources say NBC started increasing the number of commercials around 1986 when it began adding units to the hit prime-time series "The Cosby Show" from lower-price shows in its prime-time lineup.

ABC moved more units into some of its successful half-hour comedies, said a former ABC sales executive.

The trend continued throughout the 1980s, the executive said, but has gone undetected.

Now, agency media executives say they plan to increase scrutiny of network clutter.

"We're going to use whatever devices we can to monitor programming time and commercial time to see exactly what kind of abuses are being made by the networks. And we will make it an issue with our clients," said Michael Drexler, exec VP-media director of Bozell.

"We're going to use whatever devices we can to monitor programming time and commercial time. . . ."

He said the ad community will expand monitoring of all network non-programming time, including commercials and promo spots, using a variety of services including Nielsen Media Research's Monitor-Plus commercial tracking system.

Mr. Drexler predicted that the 1990 Television Commercial Monitoring Report, to be released soon by the American Association of Advertising Agencies and the Association of National Advertisers, will show an increase in clutter and a decrease in the overall programming time of network TV shows.

In 1989, the Four A's and the ANA found that ABC was the least cluttered network with 10 minutes, 42 seconds of clutter per prime-time hour and CBS was the most cluttered with 11 minutes, 40 seconds. NBC had an average of 10 minutes, 58 seconds.

But a new study from the Network Television Association notes that the Big 3 are the least cluttered of all TV outlets.

The average non-program time per prime-time hour on the Big 3 was 12 minutes and 35 seconds, compared with 14 minutes, 16 seconds for Fox Broadcasting Co.

But agency media executives say the issue is no longer just paid commercialization but all non-programming time, including promotions.

The NTA study shows that the Big 3 networks air the highest level of national promo time: an average of 2 minutes per prime-time hour.

Bozell's Mr. Drexler said agency media executives plan to offer a compromise to CBS and any other network that wants to add commercial time to its programs.

Instead of limiting each show's commercial time, they want the networks to commit to a minimum amount of program time and then manage the non-programming portion however they see fit.

"As far as we're concerned, it doesn't make a difference whether it is a promo or another commercial, except for the fact that we don't want to see more competitive commercials added to a pod," Mr. Drexler said.

"If they want to add more commercials, for whatever their economic reasons are, it should come out of their promo time, not their programming time," he added. "That's the key issue that we want to fight."

One media director said agency media executives will also ask the networks to start reporting the length of programs they order from producers.

"Right now, they don't report anywhere what time lengths they request from producers when they order programs," he said. "We've asked, and they won't tell us. But we know that's what they're doing. They're going to the producers and saying, 'I asked you for 24 minutes last year, but I want 23 minutes this year.' We don't think that's in the viewer's best interest."

Meanwhile, CBS executives said they don't plan to make a final decision on the prime-time commercial shifts until November.

"We're faced with a situation with CBS maybe being able to break even this year," said Senior VP-Sales Joe Abruzzese. "We're not talking about making $300 million profit. . . . We're talking about keeping our head above water." □

Volvo

(Continued from Page 1)

pickup truck ran over a line of cars.

The reinforcement, not noted in the ad, prompted a probe by the Texas attorney general and caused Scali, McCabe, Sloves, New York, to resign the $40 million account.

The Federal Trade Commission last month ordered Volvo and Scali to pay $150,000 each for the deceptive advertising.

This time, "everything was documented via videotape and still photography," the source said.

The spot was directed by Doug Taub of Zuma Films, Santa Monica, Calif., using 10 cranes and 11 cameras to capture the crash in a single take. The "monster truck" commercial used several takes, which may have been a factor in the reinforcement decision.

"The production company and the agency made it clear that we shouldn't modify the car in any way," said Al Vardin, manager of Shelley Ward Enterprises, Aqua Dulce, Calif., which handled the setup of the cars and the crash.

Messner Vetere also created a 30-minute "infomercial" being tested on San Diego TV stations for six weeks.

Volvo's market share has slipped slightly, from 1.0% in the first eight months of 1990 to 0.9% in the same period in 1991, according to *Automotive News*. It isn't clear, however, that the ad scandal was the reason for the decline. □

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29, 30, 32-34, 38, 40-72

C2710-1

P&G regains #1 spot

Advertising Age

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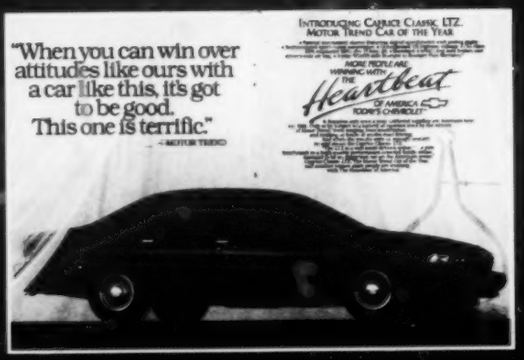
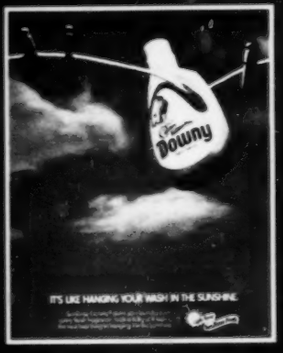
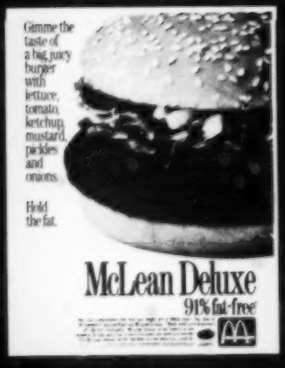




The 100 LEADING NATIONAL ADVERTISERS


Gimme the taste of a big, juicy burger with lettuce, tomato, ketchup, mustard, pickles and onions.
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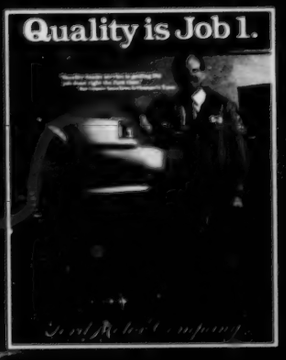
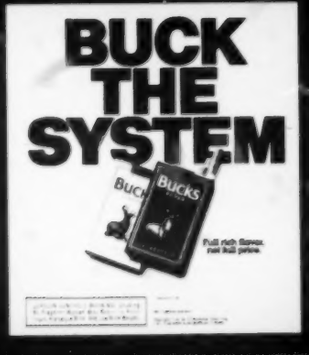




P&G spends $2.28 billion, surges to head of Top 100

But cuts become commonplace as 43 companies in the select group invest fewer marketing dollars in their 1990 budgets

By R. Craig Endicott

Procter & Gamble Co. rolled forth an advertising budget hike in 1990 that took it to the top of *Advertising Age's* latest ranking of the nation's leading national advertisers.

P&G passed Philip Morris Cos. to retake the lead for the first time since 1987 in the 36th annual *Advertising Age* 100 Leading National Advertisers report.

Powered by a 26.8% increase in U.S. advertising, P&G's outlay soared to $2.28 billion in 1990, overcoming a $293 million margin built by Philip Morris in the prior year.

The surge in P&G's spending, which included more than 30% increases for its toiletries and beauty aids business, diapers and detergents and cleaners, was atypical of the Top 100.

Total U.S. ad spending by the elite group hit $35.6 billion for a 5.6% increase, down from a 6.4% gain in 1989 and a 6.7% advance in 1988. Reduced spending in the fourth quarter clearly had an impact on 1990 totals.

Philip Morris' advertising advanced to $2.21 billion, its more modest 6.6% growth held in check by a huge tobacco division that cut spending 11.6% from 1989. Tobacco advertising accounted for 20% of the company's total.

P&G, the perennial No. 1 advertiser until acquisitions helped push Philip Morris into the lead, regained the top spot in much the same fashion. Its toiletries juggernaut, accounting for $513.2 million in media advertising, included measured spending of more than $100 million from recent acquisitions: Noxell Corp. and the Max Factor and Betrix lines from Revlon.

Total spending by toiletries and beauty aids alone was an estimated $1 billion with unmeasured advertising folded into media expenditures monitored by LNA/-Arbitron Multi-Media Service. Unmeasured media is advertising and promotion that includes such "unmeasured" ad forms as direct response and sales promotion *(see story on Page 71)*.

The billion-dollar ad club included No. 3 Sears, Roebuck & Co. and No. 4 General Motors Corp., both at $1.5 billion. Combined, the four accounted for 21% of the total spending attributed to the 100 Leaders.

Aggregate growth of the Top 100 declined from previous years as 43 spent less in 1990 than 1989, a year in which 30 showed declines. An indication that some of those cuts are more than temporary is the fact that half of those operated with either flat or declining ad budgets in the prior year as well. In many cases, marketing budgets took a back seat to payroll cuts, plant closures, debt reduction and even bankruptcy proceedings. Two of the Top 100 are in Chapter 11.

As the economy continued to soften in 1991's first quarter, 36 of the Top 100 spent fewer dollars on their leading brands than in the prior-year period, according to an *Ad Age* study that monitored spending for brands drawing $7.4 million or more in media advertising in the quarter (AA, Aug. 19).

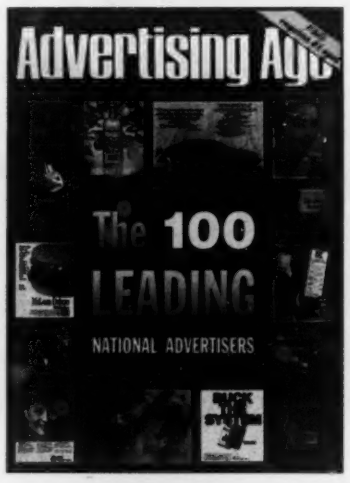
Even so, the nation's top media would have been hard pressed to make ends meet in 1990 without Top 100 spending volumes. The Top 100 accounted for 77.4% of all network TV spending, 42.4% of spot TV, 79.3% of syndicated TV, 42.8% of magazine and 22.5% of newspapers.

The group increased its spending 7.7% in network TV to $7.85 billion; 10.2% in spot TV to $3.94 billion; 1.2% in newspapers to $2 billion; and 29.3% in syndicated TV to $1.26 billion.

The rest of the nation's advertisers bought only 0.5% more network TV than in 1989, 0.01% more newspaper ads, 5.1% more syndicated TV and 1.8% less spot TV, according to LNA/Arbitron.

General Motors led the nation in network TV spending at $593.4 million, up 18.1%; P&G took spot TV honors at $304.5 million, up 39.8%; Philip Morris led magazines with $260 million, down 7.6%, and syndicated TV with $133.8 million, up 25.2%; and No. 30 May Department Stores Co. captured newspapers at $214.4 million, up 5.4%. Only No. 6 PepsiCo lost its position as a media spending leader from '89. It

(Continued on Page 72)



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100 Leading National Advertisers

Rank '90	Rank '89	Advertiser	Ad spending in 1990
1	2	Procter & Gamble Co.	$2,284.5
2	1	Philip Morris Cos.	2,210.2
3	3	Sears, Roebuck & Co.	1,507.1
4	4	General Motors Corp.	1,502.8
5	5	Grand Metropolitan	882.6
6	6	PepsiCo	849.1
7	17	AT&T Co.	796.5
8	7	McDonald's Corp.	764.1
9	10	Kmart Corp.	693.2
10	16	Time Warner	676.9
11	8	Eastman Kodak Co.	664.8
12	20	Johnson & Johnson	653.7
13	9	RJR Nabisco	636.1
14	11	Nestle SA	635.9
15	15	Warner-Lambert Co.	630.8
16	10	Ford Motor Co.	616.0
17	24	Toyota Motor Corp.	580.7
18	12	Kellogg Co.	577.7
19	13	Unilever NV	568.9
20	21	General Mills	539.0
21	19	Chrysler Corp.	528.4
22	14	Anheuser-Busch Cos.	459.2
23	33	Walt Disney Co.	435.7
24	22	Bristol-Myers Squibb Co.	428.7
25	26	American Home Products Corp.	415.4
26	29	Sony Corp.	410.5
27	38	Nissan Motor Co.	410.2
28	25	J.C. Penney Co.	393.8
29	28	Coca-Cola Co.	377.2
30	31	May Department Stores Co.	363.6
31	23	Nabisco Foods Co.	354.5
32	42	Hershey Foods Corp.	338.7
33	37	Mitsubishi Motor Industrial Co.	330.2
34	30	Quaker Oats Co.	329.3
35	34	Dayton Hudson Corp.	$318.7
36	39	Honda Motor Co.	318.0
37	32	H.J. Heinz Co.	307.9
38	27	Sara Lee Corp.	306.7
39	36	U.S. Government	304.0
40	46	Pfizer Inc.	279.9
41	40	Federated Department Stores	273.7
42	41	Mars Inc.	272.4
43	35	R.H. Macy & Co.	272.2
44	44	Colgate-Palmolive Co.	265.0
45	56	Mazda Motor Corp.	247.9
46	49	ConAgra	246.1
47	47	Tandy Corp.	232.7
48	45	General Electric Co.	230.2
49	52	American Brands	227.1
50	43	American Express Co.	217.7
51	51	Montgomery Ward & Co.	205.6
52	50	American Stores Co.	204.7
53	53	Adolph Coors Co.	194.6
54	48	Hasbro Inc.	191.8
55	57	SmithKline Beecham	191.4
56	73	Loews Corp.	186.2
57	58	Ralston Co.	181.7
58	99	Nike Inc.	178.8
59	62	Goodyear Tire & Rubber Co.	178.7
60	60	Philips NV	177.7
61	59	U.S. dairy farmers	175.9
62	55	Campbell Soup Co.	175.3
63	61	Clorox Co.	173.4
64	74	Paramount Communications	162.3
65	66	Levi Strauss & Co.	158.9
66	65	S.C. Johnson & Son	158.1
67	72	Carter Hawley Hale Stores	157.4
68	90	United Telecommunications	155.3
69	81	Circuit City Stores	$153.0
70	86	Wal-Mart Stores	151.7
71	54	IBM Corp.	148.7
72	76	Hallmark Cards	146.8
73	111	Helene Curtis Industries	145.4
74	68	Revlon Group	143.6
75	82	AMR Corp.	142.5
76	63	Dow Chemical Co.	141.9
77	67	Mobil Corp.	140.3
78	93	Marriott Corp.	139.6
79	80	Volkswagen AG	138.5
80	64	CPC International	137.0
81	77	Seagram Co.	135.3
82	75	Hyundai Group	135.3
83	84	ITT Corp.	134.9
84	79	Bell Atlantic Corp.	134.2
85	125	Thompson Medical/Slim-Fast Food Co.	133.4
86	92	Kroger Co.	131.1
87	87	Wm. Wrigley Jr. Co.	129.1
88	83	News Corp.	126.7
89	94	Delta Air Lines	126.5
90	71	Citicorp	124.9
91	70	Schering-Plough Corp.	124.9
92	95	Daimler-Benz AG	124.6
93	85	UAL Corp.	123.5
94	91	Nynex Corp.	121.5
95	105	U.S. Shoe Corp.	120.7
96	89	Wendy's International	119.8
97	104	Canon Inc.	119.5
98	96	Bayer AG	115.3
99	123	Upjohn Co.	114.9
100	101	Monsanto Co.	114.6

Note: Dollars are in millions. AA chart: Kevin Brown

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Top 100 entry price: $114 million in ads

RANK: 49

American Brands

New York
Ad spending: $227.1 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	60,825	55,627	9.3
Sunday magazine	19,416	14,596	33.0
Newspaper	690	2,312	(70.1)
Outdoor	11,103	10,727	3.5
Network TV	7,123	7,306	(2.5)
Spot TV	173	65	165.3
Cable TV networks	201	465	(56.9)
Network radio	1,353	2,169	(37.6)
Spot radio	0	321	NA
Measured media	100,884	93,587	7.8
Unmeasured	126,200	117,100	7.8
Total	227,084	210,687	7.8
By top brands	**1990**	**1989**	**% chg**
Carlton cigarettes	25,138	32,862	(23.5)
Montclair cigarettes	12,296	0	NA
Malibu cigarettes	11,236	16,798	(33.1)
Acushnet golf equipment	7,820	6,975	12.1
Jim Beam liquor	6,223	4,644	34.0
Pall Mall cigarettes	6,027	8,672	(30.5)
American cigarettes	5,331	843	532.1

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	13,781	11,921	15.6
Earnings	596	631	(5.5)
U.S.	**1990**	**1989**	**% chg**
Sales	4,686	4,522	3.6
Operating income	908	880	3.1
Division sales	**1990**	**1989**	**% chg**
Tobacco	8,037	7,009	14.7
Life insurance	806	831	(3.1)
Distilled spirits	1,005	735	36.7
Office prods.	1,025	968	5.8
Hardware	633	503	25.6
Specialty businesses	2,276	1,874	21.4

CORPORATE PROFILE

American Brands' huge U.S. tobacco and liquor franchises are between a rock and a hard place: They compete in flat categories that are falling under increasing public scrutiny.

The company's domestic tobacco business, up only 1.7% in sales to $1.6 billion in 1990, met with deep declines in full-margin cigarette brands that offset gains from value-price business. Overall share declined to 6.8% in 1990 from 7% a year earlier in a market that grew only 0.7% in unit volume.

Similarly, its Jim Beam Brands liquor operation declined from 9.8% to 9.6% of a market that also grew only 1% in volume in 1990. Beer, wine and distilled spirits consumption is declining.

Still, international sales bolstered the company's overall tobacco operations.

Tobacco marketers were hard hit by a federal excise tax on tobacco in 1991. This favored the value-price segment—the growth area at American Brands.

Full-price brands were another matter. Pall Mall slid 15% to 11.9 billion units sold; Carlton Filter dropped 4.9% to 8.5 billion units; Lucky Strike declined 15% to 3.3 billion units; and Tareyton fell 12.4% to 3.3 billion units, according to John C. Maxwell Jr., analyst with Wheat, First Securities.

Ad spending on these brands also headed south led by the 28.4% drop to $19.3 million in support of Carlton Filter, the leader in the Carlton line.

The value-price segment grew to nearly 19% of industry sales, up 4 points from 14.9% in 1989. American Tobacco's market share in the value-price segment grew to 8.7%, up 1.6 points.

American Tobacco introduced in 1990 a number of targeted value-price brands, such as Misty for women, which received $4.7 million in ad spending in 1990.

Bull Durham was rolled out in March. Ad support is expected to run about $12.3 million in the first year.

There was little movement in the company's major liquor brands. Jim Beam bourbon dropped to No. 6 from No. 5 in distilled spirits as case depletions increased 1.2% and market share inched to 2.4% from 2.3%.

The company continues to rank No. 3 in spirits on its 9.6% market share in unit volume, behind Heublein (14.3%) and Jos. E. Seagram & Sons (13.8%); its share is down from 11% two years ago.

Liquor advertising was consolidated at Fallon McElligott in September 1990. Fallon already handled about $8 million in business and picked up work previously handled by Chicago agencies BBDO and Cramer-Krasselt, each with about $3 million.

HEADQUARTERS

American Brands Inc./1700 E. Putnam Ave./P.O. Box 819/Old Greenwich, Conn. 06870-0819/Phone: (203) 698-5000.

PERSONNEL, BRANDS, AGENCIES

AMERICAN TOBACCO CO.: W.J. Moore, exec vp-mktg; R.E. Smith, vp-brand mgr; J.M. Ockers, vp-strategic planning; J.J. Mellett, media/consumer promo dir; K.P. Noone, assoc media/consumer promo dir; W. Degenhardt, media dir asst; J.L. Flavin, asst media planner; J.E. Vyse, mktg budget/planning mgr; D.A. Wogerbauer, dir-mktg research; E.M. Ashkin, sr mktg research mgr; M.J. O'Neill, mktg devel dir; C.E. Willoughby, mktg research mgr; T.M. Keane, sr prod mgr; J.C. Bogie, C.J. Brown, M.J. Burns, J.M. Murray, prod mgrs; D.S. Johnston, exec vp-sales; E.J. Gesell, vp-exec sales; T.A. Albert, vp-field sales.

American, Bull Durham, Carlton, Lucky Strike, Malibu, Misty, Montclair, Pc5 Mail, Tareyton: Lawrence, Charles, Free & Lawson, New York. C. Goldschmidt, chmn. Direct marketing: Clarion Marketing & Communications, Greenwich, Conn. P. Ifland, vp-mgmt super.

FRANKLIN LIFE INSURANCE CO.: Tom Byerly, sr vp-mktg; David Vanselow, vp-comms.

Squires Advertising Agency & Art Studio, Springfield, Ill. Stan Squires, vp.

JIM BEAM BRANDS CO.: J. Edgar Moser, vp-mktg/-adv; Bob Bilocerkowycz, vp-brand mgr; Michael L. Lintner, sr grp prod dir-bourbons/whiskies; Christine Bowdring, grp prod dir-imports/specialties; Nancy Albert, comms dir; Gayle Seinfeld, media mgr.

Jim Beam bourbon, Gilbey's gin, Gallagher cordials, Windsor Canadian, Passer's rum, Beam decanters, Inn Tropique, Old Grand-Dad bourbon, Kamora, The Dalmore Single Malt Scotch, imports & specialties: Fallon McElligott, Minneapolis. Joseph Culligan, mgmt super.

ACCO/DURABLE: William S. Carvell, vp-mktg/gm, retail prod div; J. William Hubbell, mktg dir-genl office prods; Kenneth Oberg, mktg dir-information processing prods; John Swirsley, prod mgr-retail div; Fred Weiss, vp-mktg devel/-admin, Swingline; Alan Green, mktg dir, Swingline.

ACCO and Swingline ventilation accessories, document handling and accessories, fastening products, computer accessories and furniture, general office products, staplers: E.H. Brown Advertising, Chicago. John Derbick, acct exec.

MASTER LOCK CO.: Bob Weis, dir-mktg, Door Hardware div; Steve Williams, dir-mktg, retail; Jett Anderson, dir-new bus devel.

Master Door Locks and Padlocks: Cramer-Krasselt, Milwaukee. William Faude, acct super.

ARISTOKRAFT, INC.: Gary Lautzenhiser, sr vp-mktg/sales.

Aristokraft cabinets & vanities: Juhl Advertising, Elkhart, Ind. Bill Lovejoy, acct rep.

MASTER MARKETING: Mike Strickland, dir-mktg sales; R.C. Wojan, dir-intl sales; Marc Ventor, dir-Sears sales; John From, dir-mktg/sales/-healthcare.

Waterloo tool storage products: Connell Communications, Waterloo, Iowa. Connie Sisson, pres.

MOEN INC.: H. Gardner, vp-mktg; R. Moorman, dir-mktg svcs.

Moen faucets and Chicago Specialty plumbing parts: Cramer-Krasselt, Chicago. Dave Hamel, vp-mgmt super.

ACUSHNET CO.: Titleist and Foot-Joy Worldwide: David E. Overmyer, vp mktg; Gerald M. Bellis, dir-prod mgmt, golf balls; J. Thomas Nachmann, dir-prod mgmt, golf shoes; John B. Hoeflich, dir-prod mgmt, golf clubs; Kenneth J. Kotowki, sr prod mgr-golf gloves; Mary Lou Bohn, sr comms mgr. Rubber div: James G. DeMello, sr vp-gm.

Titleist, Foot-Joy: Laner Reingold Britton & Partners, Boston. Fred Criniti, acct rep.

DAY-TIMERS, INC.: Mark LaDouceur, vp-mktg; Keith Snyder, dir-adv.

Time management products: Della Femina, McNamee, Chicago. Tom Lewy, vp-acct super.

EXECUTIVE MICROWARE LTD.: Peter DuPont, vp-sales; Carol Andreuzzi, mktg dir.

PENNA PRODUCTS CO.: Don Trammell, mktg mgr; Melinda Denny, adv coord.

YOUEL PETERSON FURNITURE CO.: Charles Summers, dir-mktg; Joellen Englehardt, prod mgr; Jim Roseen, prod mgr.

Office furniture: McKee Advertising, Elk Grove Village, Ill. Tom Behan, pres.

WILSON JONES CO.: Gregory A. Carlson, dir-mktg; Paul Barrett, natl acct mgr; Jeannette Marsland, prod devel mgr; Richard Lange, information systems mgr; Marvin A. Rosenfeldt, adv mgr.

Wilson Jones office products: Marketing Support, Chicago. Jane Storey, exec vp.

RANK: 50

American Express Co.

New York
Ad spending: $217.7 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	34,991	29,675	17.9
Sunday magazine	1,248	1,797	(30.6)
Newspaper	17,729	19,354	(8.4)
Outdoor	488	356	37.1
Network TV	50,581	74,340	(32.0)
Spot TV	30,088	43,985	(31.6)
Syndicated TV	3,798	4,648	(18.3)
Cable TV networks	2,617	2,711	(3.5)
Network radio	4,830	4,136	16.8
Spot radio	7,706	8,666	(11.1)
Measured media	154,055	189,667	(18.8)
Unmeasured	63,600	78,300	(18.8)
Total	217,655	267,967	(18.8)
By top brands	**1990**	**1989**	**% chg**
A.E. credit card svcs.	106,652	138,239	(22.8)
A.E. Travelers Cheques	19,282	17,421	10.7
A.E. travel svcs.	10,054	11,704	(14.1)
American Express Money Gram	6,309	0	NA
Shearson Lehman	6,225	194	3,108.9

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	24,322	25,047	(2.9)
Earnings	181	1,157	(84.4)
U.S.	**1990**	**1989**	**% chg**
Sales	19,459	20,617	(5.6)
Pretax income	315	1,239	(74.6)
Division sales	**1990**	**1989**	**% chg**
Travel related services	9,698	8,357	16.0
IDS financial	2,200	1,934	13.8
American Express Bank	1,814	2,100	(13.6)
Shearson Lehman Bros.	10,177	12,501	(18.6)
American Express Info Svcs.	827	660	25.3

CORPORATE PROFILE

American Express Co., hurt by troubles at its Shearson Lehman Bros. subsidiary, is gearing up for what it calls a "major marketing campaign" this fall.

The company, which has bought heavily into the World Series this October, is expected to start a new positioning campaign that adopts a "family" approach to marketing its varied card products, including the basic green, Gold, Platinum and Corporate cards, as well as its newer Optima revolving credit card. The move is likely to reshuffle agency assignments to account for substantially reduced spending behind individual cards.

AmEx's 84% earnings decline came largely from a $1 billion loss at Shearson Lehman Bros., now 100% owned by AmEx. Its troubles were assuaged in August 1991 by an infusion of cash from Berkshire Hathaway for an exchange of preferred stock.

Recession-related slowdowns in consumer spending and market share declines also hit the company's Travel Related Services unit, which accounts for 40% of total corporate revenues.

For the six months ended June 30, AmEx earned $520 million, compared with a $300 million loss in the first half of 1990, on revenues of $12.7 billion, up 5.7%. But earnings declined in the travel services unit.

AmEx had 36.5 million cards issued worldwide as of yearend, a 7% increase, according to the company, but the worldwide share of charge volume declined 2 points to 16.4%. In the U.S., AmEx's share fell to 24.5% from 25.2% in 1989, mostly because of inroads by Visa International, which has steadily gained share.

Earlier this year, AmEx introduced an Executive Corporate Gold Card with a $100 annual fee.

Even as the company unifies its general card-marketing efforts, it has introduced promotions to support particular products. For example, *Your Company*, a quarterly magazine introduced in September 1990, targets corporate cardmembers who run small businesses. The magazine runs ads only from its four sponsors: AmEx, IBM Corp., United Parcel Service of America and Cigna Corp.

AmEx cardholders can now charge long-distance calls placed with MCI Communications Corp. and US Sprint, in response to AT&T Co.'s successful Universal card rollout. And "Weekend Privileges," a new campaign to stimulate card use for leisure travel, offers promotional packages and special rates for vacations.

Ad spending dropped 18.8% in 1990. The company's base charge card was supported by $79 million in 1990, a 15% drop. That figure is expected to drop to about $60 million in 1991. Budgets for network and spot TV in particular took a beating, both falling 32%. Much of the decline stemmed from substantial reductions in Gold Card spending.

AmEx's growing publishing arm, which accounts for less than 1% of total revenues, is said to be exploring alliances with other publishers to extend the ad sales power of its titles such as *Travel & Leisure* and *Food & Wine*.

Shearson was split into a retail brokerage called Shearson Lehman Bros. and an investment banking arm, Lehman Bros. The brokerage hired Chiat/Day/-Mojo to replace Ally & Gargano but slashed media ad spending by 43% to $8.5 million.

HEADQUARTERS

American Express Co./American Express Tower/World Financial Center/New York, N.Y. 10285/Phone: (212) 640-2000.

PERSONNEL, BRANDS, AGENCIES

AMERICAN EXPRESS TRAVEL RELATED SERVICES CO.: Joan Bonnette, vp-adv; Peggy Mitchell-King, vp-TRS media planning/buying; Stephen Smith, dir-TRS media planning/buying; Norma Arnold, sr vp-establishment svcs mktg; John Williams, vp-Platinum Card mktg; Lewis Taffer, sr vp-Gold Card mktg; Abby Kohnstamm, sr vp-Personal Card mktg; Brian Kleinberg, sr vp-Optima Card mktg; Peter Bopp, dir-Corporate Card adv; Bruce Grieve, vp-mktg, Travelers Cheque Group USA.

Platinum Card, Gold Card, Personal Card, Optima Card, Corporate Card, Travelers Cheques: Ogilvy & Mather, New York. David Warden, sr vp-exec grp dir. Chiat/Day/Mojo, New York. Steven Friedman, vp-grp mgmt super. Wunderman Worldwide, New York. Debra Brown, sr vp-acct dir.

AMERICAN EXPRESS PUBLISHING CORP.: James Berrion, sr vp-grp publisher, natl mags/publisher-*Travel & Leisure*; Ron Prince, vp-grp publisher, city mags; Doug Fierro, publisher-*Food & Wine*; Alexandra Golinkin, publisher-*Departures*; Amy Rappeport, publisher-*New York Woman*; Joie Davidow, exec publisher/editor-in-chief, *L.A. Style*; Karen Fund, publisher-*L.A. Style*; Thomas Hartman, publisher-*D*; Thomas Casey, publisher-*Atlanta*.

Travel & Leisure, Food & Wine, Departures, New York Woman: Ogilvy & Mather, New York. David Warden, sr vp-exec grp dir.

L.A. Style, D, Atlanta: in-house.

SHEARSON LEHMAN BROTHERS: Debra Isenberg, exec vp-dir mktg/adv; Catherine Kaputa, sr vp-dir adv; Barbara Glasser, vp-adv mgr.

Chiat/Day/Mojo, New York. Martin Grant, sr vp-grp mgmt super.

IDS FINANCIAL SERVICES: Reed Saunders, sr vp-financial planning/mktg; Tom Jennings, ad mgr.

Ogilvy & Mather, New York. David Warden, sr vp-exec grp dir.

RANK: 25

American Home Products Corp.

New York
Ad spending: $415.4 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	15,176	15,706	(3.4)
Sunday magazine	0	107	NA
Newspaper	0	272	NA
Outdoor	2	19	(91.4)
Network TV	150,544	156,040	(3.5)
Spot TV	46,851	36,476	28.4
Syndicated TV	9,574	7,323	30.7
Cable TV networks	10,828	9,853	9.9
Network radio	1,340	2,291	(41.5)
Spot radio	19	1,533	(98.8)
Measured media	234,334	229,619	2.1
Unmeasured	181,100	177,400	2.1
Total	415,434	407,019	2.1
By top brands	**1990**	**1989**	**% chg**
Advil pain reliever	47,914	47,941	(0.1)
Anacin pain reliever	28,691	29,415	(2.5)
Dimetapp cold products	24,086	21,635	11.3
Robitussin cough products	20,990	16,888	24.3
Dristan cold products	16,414	17,136	(4.2)
Chef Boyardee pasta products	15,907	16,905	(5.9)
CoAdvil cold remedy	15,457	9,604	61.0
Pam No Stick cooking products	8,790	9,446	(6.9)
Chef Boyardee dinners	8,440	1,481	469.8
Preparation H products	8,320	9,078	(8.3)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	6,755	6,747	0.1
Earnings	1,231	1,102	11.7
U.S.	**1990**	**1989**	**% chg**
Sales	4,608	4,726	(2.5)
Operating income	1,456	1,056	37.8
Division sales	**1990**	**1989**	**% chg**
Pharmaceuticals	3,463	3,254	6.4
Consumer healthcare	1,299	1,294	0.4
Medical supplies	745	693	7.5
Food prods.	853	834	2.3
Household prods.	415	650	(36.1)

CORPORATE PROFILE

The food segment is the odd man out now that American Home Products Co. has tightened its focus on healthcare from the June 1990 sale of Boyle-Midway (its household products and depilatory business) for $1.25 billion to Reckitt & Colman.

Healthcare now accounts for 87% of worldwide sales, compared with 55% before the sale.

Boyle-Midway's partial inclusion in 1990 returns distorted financial results. Apart from Boyle-Midway's share, the company would have grown 4.3% in sales compared with 0.1% reported.

The company's food products—largely dominated by the Chef Boyardee brand—in 1990 showed a modest sales increase of 2.3% and an operating income decline of 0.5% from operations mostly within North America. Despite the segment's poor returns and lack of strong global coverage, it received strong marketing support during 1990.

Chef Boyardee Hamburger Italiano line carved out a 3.5% share in its second year competing in the $881 million dry-package dinners category, dominated by General Mills' Hamburger Helper and Kraft USA's blue-box dinners, according to Information Resources Inc.'s InfoScan service. Measured spending of $7.7 million behind the line helped push total Chef Boyardee media spending up 44%.

With help from its Microwave Meals line, Chef Boyardee claimed 27% market share in the $1.17 billion shelf-stable canned and microwave dinners category, according to InfoScan. The brand got two new varieties of canned pasta for children in 1990, as Chef Boyardee kept its dominant share of the $700 million canned pasta category.

American Home Food Products also introduced Microwave Meals under other brands in 1990, adding four entree varieties for Ranch Style and six under the Luck's moniker.

AHP's Pam No Stick cooking spray continued to dominate the $97.1 million cooking oil sprays category, claiming a 73% share, according to InfoScan.

The healthcare business continued to benefit from the 1989 acquisition of A.H. Robins Co., whose operations were nearly fully integrated by yearend. In February 1991, Wyeth-Ayerst International and Whitehall International were merged.

Whitehall Labs added Dristan Sinus to its Dristan brand family, backed by $2.4 million in measured spending. Spending emphasis shifted from Dristan regular nasal spray to Long Lasting Dristan Nasal Mist with $3.5 million in media support, up from just $9,600 in 1989.

Advil claimed 11% of the pain reliever category, making it No. 2 behind Johnson & Johnson's Tylenol. Products under the Anacin aspirin brand held 7% of the pain reliever market.

Whitehall added a fourth agency to its stable, moving five brands to Avrett, Free & Ginsberg. The shop gained Arthritis Pain Formula and Semicid, from Young & Rubicam; Compound W, from McCann-Erickson Worldwide; and Freezone and Outgro, from Partners & Shevack, all in New York.

Wyeth-Ayerst, a worldwide leader in female contraception products, in late 1990 won U.S. approval to sell the Norplant System, a reversible, five-year contraceptive implant that's the first of its kind.

HEADQUARTERS

American Home Products Corp./685 Third Ave./New York, N.Y. 10017/Phone: (212) 878-5000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Corp media buying: John F. Murray Advertising (in-house). Richard Feldheim, pres; Marianne McArdle, sr vp-dir natl TV; Kathleen Margaritov, Patricia Stern, Kenneth Lagana, vps-natl TV supers; Emma Salgado, vp-traffic; William Levengood, TV-dir computer operations; Ingrid Loeuis, vp-treasurer. Mil-Mor Media (in-house). Richard Feldheim, pres; Frances Slaughter, vp-gm.

WHITEHALL LABORATORIES: Andrew Davis, sr vp-mktg; Lyn Ciocca, Holly Crosbie-Foote, vps-mktg; J. Schmitt, vp-new prods; Steve Palmisano, adv dir.

Advil, Anbesol, Chloraseptic Easy, Chloraseptic Easy, CoAdvil: Young & Rubicam, New York. Patrick Knisely, sr vp-grp dir.

Dermoplast, Dristan sprays & tablets, Mennenthan, Quiper, Preparation H: McCann-Erickson Worldwide, New York. George Biava, sr vp-grp dir.

Anacin, Aspirin Free Anacin (formerly Anacin 3), Maximum Strength Anacin, Denorex, Primatene, Sinex: Partners & Shevack, New York. Alan Yarnoff, exec vp-acct dir.

Arthritis Pain Formula, Compound W, Freezone, Outgro, Semicid: Avrett, Free & Ginsberg, New York. Tom James, exec vp-dir client svcs.

FORT DODGE LABORATORIES: Dr. Wm. E. Ryan, dir adv.

Brady Co., Menomonee Falls, Wis. Bert Hutchinson, sr vp.

AMERICAN HOME FOOD PRODUCTS: John Hilton, sr vp-mktg; Albert Soricelli, sr vp-new ventures; Rick Donnelly, vp-prod mgmt; Jules Neuberger, adv dir.

Chef Boyardee Microwave Meals, Chef Boyardee canned pasta, Ranch Style Beans, Luck's Beans, Pam, new products: Young & Rubicam, New York. Jordan Stanley, sr vp-mgmt super.

Crunch 'n Munch, Chef Boyardee Pizza Mix, Chef Boyardee Hamburger Italiano, Wheatsies, Moppo, Jiffy Pop, Boardman's Chili, new products: Lawrence, Charles, Free & Lawson, New York. Al Evans, Al Magnane, exec vps.

Golden's, new products: Isadore & Paulson, New York. Paul Paulson, pres.

Pennzoil: Gordon Hanrahan Inc., Chicago. Mary Ellen Hanrahan, partner.

SHERWOOD MEDICAL CO.: Robert Egan, exec vp-domestic mktg; Jackie Forsland, vp-gm, APL

In-house.

WYETH-AYERST LABORATORIES: Robert Essner, sr vp-sales/mktg; Joseph Beshel, vp-gm, institutional prod; David Bluey, dir-planning/sales/-

mktg; Hector Cabrera, vp-gm, Wyeth-Ayerst Puerto Rico; David Dodd, vp-gm, pediatric/consumer prods; John Leone, vp-mktg operations; Martin Meaney, sr vp-professional prod mktg; David Swingle, vp-professional prod sales.

Bicillin, Oral antibiotics, BMA, Nursoy: Dorland Sweeney Jones, Philadelphia. Barbara Zehender, acct exec.

Ativan injectious, Cerubidine: Harrison, Star, Wiener & Beitler, New York. Meg Kelly, acct exec.

Ativan oral, Cycrin, Grisactin, Myoclone, Orudis, Premarin, Sonax, Surmontil, Vaseline: Klemtner Advertising, New York. Paul Nani, acct exec.

Inderal LA, Inderide LA, Tabax: Lally, McFarland & Pantello, New York. Nancy Barnett, acct exec.

Calgiviron, Phenergan suppositories & syrups, Wyanoids Relief Factor: Roberts & Raymond Associates, Philadelphia. Jay Bolling, acct exec.

Cordarone, Sectral, Tenex, Quinidex, Micro-K: Vargas & Levy, New York.

Restoderm, LeDerm, Nordette, Norplant, Ovral, Triphasil: Vicom Associates, Philadelphia. Charlie Mathias, acct exec.

Children's Advil: Sudler & Hennessey, New York. Mark Merriman, acct exec.

A.H. ROBINS CONSUMER PRODUCTS: Dennis O'Donnell, VP-mktg.

Dimetapp: Consumer adv: Avrett, Free & Ginsberg, New York. Jack Avrett, chmn. Consumer promo: Earle Palmer Brown Cos., Richmond, Va. L. Bradford Armstrong, pres. Medical adv: Sweeney & Partners, Montvale, N.J. Thomas Sweeney, pres.

Robitussin: Consumer adv: Scali, McCabe, Sloves, New York. Lauren Fisher, exec vp-grp acct dir; Consumer promo: Earle Palmer Brown Cos., Richmond, Va. L. Bradford Armstrong, pres. Medical adv: Sweeney & Partners, Montvale, N.J. Thomas Sweeney, pres.

Chap Stick: Consumer adv: Jordan, McGrath, Case & Taylor, New York. Jack Taylor, vice chmn. Consumer promo: Earle Palmer Brown, Richmond, Va. L. Bradford Armstrong, pres.

Dunagel: Sweeney & Partners, Montvale, N.J. Thomas Sweeney, pres.

RANK: 52

American Stores Co.

Salt Lake City, Utah
Ad spending: **$204.7** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	340	143	137.7
Sunday magazine	132	47	182.6
Newspaper	69,550	81,876	(15.1)
Outdoor	751	790	(5.0)
Spot TV	49,093	48,434	1.4
Spot radio	9,119	7,319	24.6
Measured media	128,985	138,609	(6.9)
Unmeasured	75,700	81,400	(7.0)
Total	204,685	220,009	(7.0)
By top brands	**1990**	**1989**	**% chg**
Lucky food stores	52,363	45,562	14.9
Jewel food stores	20,689	34,685	(40.4)
Osco drugstores	17,582	14,792	18.9
Acme food stores	11,582	11,751	(1.4)
Alpha Beta supermarkets	5,491	7,398	(25.8)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	22,156	22,004	0.7
Earnings	182	118	54.4

CORPORATE PROFILE

American Stores Co., the holding company that owns large food and drugstore chains, expected a tough 1991 because of the slowdown in consumer spending.

The first quarter was "slower than we would like," Jonathan L. Scott, American's president-chief operating officer, told shareholders in June.

Same-store grocery-only sales were up 1% on average in the first quarter, but same-store sales at American's grocery-combination stores dropped 0.55%.

Efforts to retire debt and lower interest payments were helped by the sale of most of American's Alpha Beta stores. In June 1991, American completed the sale of 142 southern California stores to Food 4 Less Supermarkets for $248 million.

The state of California in May 1990 had challenged American's plans to merge its Lucky Stores with Alpha Beta. The sale of the Southern California Alpha Beta stores was part of a consent decree that settled the antitrust suit; American admitted to no violations of the law.

With most of the Alpha Beta stores sold, American probably will change the name of its 75 Skaggs Alpha Beta stores to Jewel Osco units. The company also agreed to sell 51 Osco drugstores in Utah, Colorado and Wyoming to Pay Less drugstores for $60 million, but withdrew Acme Food Stores from the market after rejecting a bid in the $1 billion range.

By June 1991, the company had settled more than 25,000 cases of litigation relating to salmonella-contaminated milk in Jewel Osco units. American had accrued an additional $32.5 million charge to fourth-quarter 1989 earnings as a result of this litigation.

The biggest change in media spending occurred in network radio, where American spent $9.1 million last year, a category it spent nothing on in 1989.

Spending in newspapers declined 15.1% to $69.5 million but increased 182% in Sunday newspaper supplements, to $131,700.

Lucky had 16.4% of the southern California market early this year, behind Vons Cos.' 17.9% and Ralph's Grocery Cos.' 17.8%. Jewel leads in Chicago at 38%; Skaggs Alpha Beta is tied with Kroger and Tom Thumb in Dallas at 13%, according to *Supermarket News*.

HEADQUARTERS

American Stores Co./5201 Amelia Earhart Dr./Salt Lake City, Utah 84116/Phone: (801) 539-0112.

PERSONNEL, BRANDS, AGENCIES

ACME MARKETS: Bill DiBerndinl, vp-mktg/distribution.
J. Walter Thompson USA, New York. Paul Krause, acct exec.
JEWEL FOODS STORES: William Bolton, vp-mktg; Robert Lutz, dir sales/adv.
Lois/GGK, Chicago. B. Beechen, mgmt super.
STAR MARKETS: Brian Pijanowski, dir mktg.
Rosnin, Greenburg, Seronick & Hill, Boston. Evan Saks, acct exec.
AMERICAN DRUG STORES: Arlyn White, exec vp-mktg; Neil Stacey, vp-mktg devel.
Osco drugstores: Lois/GGK, Chicago. Terry Laughlin, acct exec.
SKAGGS ALPHA BETA: Warren Ivie, vp-adv.
Bloom Agency, Dallas. Sherry Babcock, sr vp-mgmt super.
SAV-ON DRUG STORES: Richard L. Davis, exec vp.
Lois/GGK, Chicago. Terry Laughlin, acct exec.

RANK: 75

AMR Corp.

Dallas
Ad spending: **$142.5** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	14,374	10,172	41.3
Sunday magazine	1,315	990	32.8
Newspaper	50,697	40,985	48.1
Outdoor	421	387	9.0
Network TV	707	10,490	(93.3)
Spot TV	21,062	18,246	15.4
Syndicated TV	193	10	1,828.0
Cable TV networks	753	310	142.9
Network radio	471	509	(7.4)
Spot radio	4,278	13,807	(69.0)
Measured media	104,273	95,906	8.7
Unmeasured	38,200	35,100	8.8
Total	142,473	131,006	8.8
By top brands	**1990**	**1989**	**% chg**
American Airlines	102,619	89,781	14.3

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	11,720	10,480	11.8
Earnings	(40)	455	NA
Division sales	**1990**	**1989**	**% chg**
Passenger	9,743	8,839	10.2
Other	1,266	1,122	12.9

CORPORATE PROFILE

AMR Corp.'s American Airlines is moving ahead on its course to become a global carrier, bolstered by its new presence at London's Heathrow Airport.

American paid $445 million to acquire three U.S.-London routes from Trans World Airlines. The new service—from Boston, New York and Los Angeles to London—began in July.

The acquisition makes American the largest U.S. carrier to the U.K. market, though Delta Air Lines won't be far behind when it completes its purchase of Pan American World Airways' North Atlantic routes.

To launch the Heathrow routes, American ran its largest media campaign ever in conjunction with a service start-up. The carrier spent nearly $20 million, three times more than its major Latin American push last year.

American also plans to expand its Latin American service in December when it increases its weekly flights by 27.5% to 181.

American held onto its No. 1 position in 1990 as the nation's largest carrier, but for the first seven months of 1991 United Airlines shared the lead spot. Both carriers hold an 18.3% share of the U.S. market based on revenue passenger miles, according to PaineWebber. American had a 17% share in 1990 compared with United's 16.6%. Delta was third.

To jump-start air travel last spring, American initiated the largest fare promotion in its history, offering consumers short-term fare specials and new discounts for business travelers. But the move resulted in higher overall fares for the long term.

Still, American Chairman Robert Crandall didn't see "reasonable levels of profitability" returning until the third quarter of 1991. Boardings have been affected by the recession and, in the first quarter, by the Persian Gulf War.

American remains an aggressive marketer. It's just launched a three-year worldwide soccer promotion tied to its sponsorship of World Cup '94 in the U.S.

HEADQUARTERS

AMR Corp./P.O. Box 619616/Dallas-Fort Worth Airport/Texas, 75261-9616/Phone: (817) 963-1234.

PERSONNEL, BRANDS, AGENCIES

AMERICAN AIRLINES: Michael W. Gunn, sr vp-mktg; George L. Mueller, vp-customer svcs; Jack L. Williams, vp-passenger sales; Tom Morris, mg dir-adv; Rob Britton, mgr-adv/dir mktg; Rick Fisher, mgr-intl adv; Ladd Biro, mgr-worldwide sales promo.
Domestic adv: Bozell, Dallas. Paul Gold, exec vp-acct dir.
Intl & Latin America adv: DDB Needham Worldwide, Dallas. Todd Bresnahan, mgmt super-intl; Kathleen Smith, acct coord-Latin America.

RANK: 22

Anheuser-Busch Cos.

St. Louis
Ad spending: **$459.2** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	7,767	8,834	(12.1)
Sunday magazine	243	399	(39.2)
Newspaper	3,989	9,537	(58.2)
Outdoor	6,058	6,148	(1.5)
Network TV	129,009	181,467	(28.9)
Spot TV	91,646	94,835	(3.4)
Syndicated TV	13,703	10,753	27.4
Cable TV networks	26,788	26,300	1.9
Network radio	983	7,707	(87.2)
Spot radio	21,147	42,073	(49.7)
Measured media	301,331	388,055	(22.3)
Unmeasured	157,900	203,400	(22.4)
Total	459,231	591,455	(22.4)
By top brands	**1990**	**1989**	**% chg**
Budweiser beer	184,071	190,836	(3.5)
Michelob beer	38,276	86,592	(55.8)
Busch beer	24,173	39,461	(38.7)
Sea World amusement parks	13,970	10,202	36.9
Busch Gardens amusement park	10,862	10,016	8.5
Anheuser-Busch beers	7,849	14,753	(46.8)
Eagle snacks	7,811	4,516	72.9
O'Doul's Ale	7,244	1,055	586.5

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	11,612	10,284	12.9
Earnings	842	767	9.8
Division sales	**1990**	**1989**	**% chg**
Beer	8,151	7,406	10.1
Food	1,962	1,803	10.0
Entertainment	525	286	118.4

CORPORATE PROFILE

Anheuser-Busch Cos. continues to grow into an even bigger player in the U.S. brewing industry but is looking to other regions and products for growth.

The world's largest brewer in 1990 saw its beer shipments rise 7% to 86 million barrels and its share of the U.S. beer market near 43%. While some of the increase was undoubtedly due to last-minute buying to avoid an alcohol tax increase, A-B continued to gain share in 1991 and claimed 44% of U.S. beer sales at midyear, closer to its stated goal of selling 50% of U.S. beer.

Last year, A-B's sales rose mostly on the strength of Bud Light, Bud Dry and Busch Light. Budweiser, the nation's No. 1 beer with 25.1% of U.S. sales, eroded very slowly and the Michelob brands more quickly. Michelob's problems prompted a review of advertising this summer and the return of the account to D'Arcy Masius Benton & Bowles from DDB Needham Worldwide. A-B is also testing a premium-price Miller Genuine Draft clone called Michelob Golden Draft and Golden Draft Light.

Under Steve Burrows, new VP-marketing, A-B is increasingly relying on a constant supply of new products to keep its drinkers and lure new ones. Its strong share forces A-B to constantly balance growth against cannibalization. The balance seems to have worked for Bud Dry, which in 1990 shipped 1.6 million barrels, more than enough to overcome losses of Budweiser.

A-B cut back on national advertising in favor of local advertising and promotions, though it claims the 12.7% drop in measured advertising overstates the real change.

A-B has looked to Europe for beer expansion, but in the U.S. the big expansion is in snacks. A-B early this year expanded to national advertising for Eagle Snacks chips and nuts. Tortilla chips were added in some markets.

Snack Food magazine estimated A-B had achieved 8.3% growth to $325 million in sales in 1990 for a 5.8% share of the potato chip market.

A-B also moved closer to creating its own bread brand. Iron Kids, a product with many of the health benefits of wheat bread, but with the color of white bread, was expanded into all its 27-state Cambell-Taggart bread territories.

HEADQUARTERS

Anheuser-Busch Cos./One Memorial Dr./St. Louis, Mo. 63102/Phone: (314) 577-2000.

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Corp adv-Hispanic: Sosa, Bromley, Aguilar & Associates, San Antonio, Tex. Al Aguilar, vp-acct mgmt.

Black corp affairs: Caroline Jones Advertising, New York. Gina Ross, vp-acct super.

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Bud Light, Bud Dry, Busch brands, Michelob Golden Draft and Golden Light: DDB Needham Worldwide, Chicago. John Greening, sr vp-grp acct dir, beer.

Budweiser, O'Doul's, Michelob, Michelob Light, Michelob Dry, Michelob Classic Dark, Natural Light, Natural Pilsner: D'Arcy Masius Benton & Bowles, St. Louis. James Palumbo, sr vp-acct grp dir.

Carlsberg, Elephant Malt Liquor, Anheuser Marzen: TBWA Advertising, New York. Murray Gaylord, dir-acct svcs.

Anheuser Marzen, new products: TBWA/Kerlick Switzer, St. Louis. Art Cramer, exec vp/dir-acct svcs.

King Cobra: Equinox Advertising, Chicago. Stuart Rankin, Bernie Washington, Bill Daniel, partners.

Budweiser Hispanic: Castor Advertising, New York. Carlos Rodriguez, sr acct exec.

Bud Light Hispanic, Bud Dry Hispanic: Sosa, Bromley, Aguilar & Associates, San Antonio, Texas. Al Aguilar, vp-acct mgmt.

BUSCH ENTERTAINMENT: Melvin L. Bilbo, vp-mktg/prod devel; Barry W. Thigpen, grp mktg dir-Busch Gardens; Christopher M. Shea, grp mktg dir-Sea Worlds; Susan Busch Transou, dir natl adv/prod devel.

Busch Gardens, Sea World of Florida, Sea World of Ohio, Cypress Gardens, Adventure Island, Sesame Place: DDB Needham Worldwide, Chicago. Ray Gillette, sr vp-grp acct dir.

Sea World of California: DMB&B, Los Angeles. Ron Boyd, vp-mgmt super.

Sea World of Texas: GSD&M, Austin, Texas. Steve Braasch, sr vp-acct dir.

CAMPBELL-TAGGART: Larry Pearson, vp-mktg.

Earth Grains breads, Rainbo (Colonial) bread, Iron Kids, Ranch Maid, Family Recipe, Country Hearth, Grant's Farm, Grant Cake: Bloom Agency, Dallas. Charles J. Calise, sr vp-mgmt super.

EAGLE SNACKS INC.: William Opdyke, exec vp-sales/mktg; Dan R. Keller, vp-mktg.

TBWA Advertising, New York. Bob Rosenthal, sr vp-mgmt super.

ST. LOUIS NATIONAL LEAGUE BASEBALL CLUB: ST. LOUIS CARDINALS: Martie Hendin, vp-mktg; Nancy McElroy, dir-promo.

RANK: 7

AT&T Co.

New York

Ad spending: $796.5 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	64,089	71,083	(9.8)
Sunday magazine	7,348	7,031	4.5
Newspaper	43,753	39,715	10.2
Outdoor	283	283	(0.1)
Network TV	244,910	162,750	50.5
Spot TV	69,013	39,793	73.4
Syndicated TV	19,989	7,044	183.8
Cable TV networks	15,280	6,559	133.0
Network radio	31,197	19,758	57.9
Spot radio	9,571	6,236	53.5
Measured media	505,433	360,251	40.3
Unmeasured	291,100	207,500	40.3
Total	796,533	567,751	40.3
By top brands	**1990**	**1989**	**% chg**
AT&T telephone co	352,027	284,084	23.9
AT&T technologies	45,152	17,526	157.6
Corporate spending	37,998	30,001	26.3
AT&T Universal card	33,344	0	NA
AT&T telephones	19,204	12,625	52.1
AT&T telephone systems	7,362	2,373	210.2

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	37,285	36,149	3.1
Earnings	2,735	2,697	1.4
Division sales	**1990**	**1989**	**% chg**
Telecommunications	19,691	19,526	0.8
System sales	4,898	4,743	3.3
Telecom networks	7,303	6,782	7.7
Rentals & other svcs	4,631	4,716	(1.8)
Financial svcs & leasing	7621	382	99.5

CORPORATE PROFILE

AT&T Co.'s six-month courtship and eventual buyout of NCR Corp. for $7.4 billion in stock this May signaled its intention to become a major computer marketer and to offer customers worldwide links between computer and telephone networks.

The company also wants to grab a bigger piece of the international long-distance market, an area of fierce competition among AT&T and its rivals, MCI Communications Corp. and US Sprint.

AT&T launched a new TV campaign this May via Young & Rubicam targeting business callers and themed "A world of help." A consumer effort called "Reach out world" has been running for a year.

AT&T also promotes a new foreign-language translation service called Language Line with a print campaign from Wunderman Worldwide that runs in major newspapers.

However, domestic long-distance service remained the core of the company's business. AT&T last year captured a 68% share of total revenues in the estimated $56 billion long-distance telephone market, up from 66.4% the previous year.

MCI's share was about 15%, up from 12.5%, while Sprint captured about 10% of the market, up from 8.3%.

AT&T was the leading media spender in each quarter of 1990 before cutting back in first quarter 1991.

The Universal card has been a success since its launch in late March 1990. It was the No. 6 credit card in the U.S. by mid-1991, opening up 5.2 million accounts (8.5 million cards issued).

Part of its success was attributed to initial features that included waiving permanently the annual fee for customers who signed up in 1990 and used the card to make purchases at least once a year. A 10% discount on long-distance phone calls and 90-day insurance coverage on retail purchases were also offered.

Those features were dropped this March, after they had been extended through the first quarter. Analysts contended the company dropped the features to concentrate on profits.

The residential long-distance market turned into a discount war in early-to-mid-1991 as AT&T's two big rivals introduced new schemes to pull in customers. Sprint restructured its Priority plan by reducing a customer's maximum expenditure from $200 to $20 a month before they could get a 20% discount on off-peak for out-of-state calls. MCI has a plan reducing rates by 20% when the customer calls another MCI user.

In April, AT&T introduced a new discount program called Any-Hour Saver, which offers one hour of domestic calls for $12.

AT&T significantly increased its use of TV in 1990 especially for long-distance service, which pulled $151.3 million in media advertising, up 84%.

HEADQUARTERS

American Telephone & Telegraph Co./550 Madison Ave./New York, N.Y. 10022-3297/Phone: (212) 605-5500.

PERSONNEL, BRANDS, AGENCIES

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Corporate adv: N W Ayer, New York. Peter Varvara, vp-mgmt super.

Corporate arts & underwriting: Serino Coyne, New York. Linda Lehman, exec vp-acct mgmt.

Black adv, Hispanic adv: UniWorld Group, New York. Herman Morales, sr vp; Linda Dukette, vp-acct super.

AT&T CONSUMER COMMUNICATIONS SERVICES: David Robertson, dir-adv.

Consumer long-distance: N W Ayer, New York. Diane Whitehead, sr vp-mgmt super.

Ethnic adv, Hispanic consumer long distance: Y&R/Bravo, New York. Daisy Esposito, pres-creative dir.

Business services: McCann-Erickson Worldwide, New York. Tom Driscoll, sr vp.

Consumer business, residential, college: Young & Rubicam, New York. Bob Wells, sr vp-grp dir.

Military, college, hospitals: Keyes Martin, Springfield, N.J. Ted Lawrence, acct super.

AT&T CORPORATE INTERNATIONAL: Marj McKean, Intl brand mgr.

AT&T Intl. Corporate adv: Ogilvy & Mather, New York. Cynthia Round, sr vp-grp dir.

Special service long-distance: Young & Rubicam, New York. Peter Hanley, exec vp-worldwide grp dir.

INTERNATIONAL COMMUNICATION SERVICES: Jackie Woodall, div mgr.

Intl. Communication Services-Hispanic adv: Y&R/Bravo, New York. Rossana Pinero, acct exec.

Consumer/business adv-Puerto Rico: Marti Flores Prieto & Wachtel, Puerto Rico.

AT&T CONSUMER PRODUCTS: Richard Tilden, adv/promo dir.

Consumer telephones: N W Ayer, New York. Peter Varvara, vp-mgmt super.

BUSINESS COMMUNICATIONS SERVICES: Susan Munroe, dist mgr.

Domestic business, long distance, Pro WATS, 800: McCann-Erickson Worldwide, New York. Eric Keshin, sr vp-mgmt rep.

Domestic business, long distance, direct marketing: Bronner/Slosberg, Boston. Jean Alexander, vp/assoc.

Domestic business, PBX products: Ogilvy & Mather Direct, New York. Cathy Tweedy, grp dir.

Business Communications Systems: Ogilvy & Mather, New York. Cynthia Round, sr vp-grp dir.

UNIVERSAL CARD SERVICES: Barbara Bromberg, vp-adv/mktg comms, credit card.

Universal Card: Lord, Denstu & Partners, New York. Kathy Moriarty, mgmt super. Chapman Direct, New York. Barbara Jack, sr vp-gm.

GENERAL BUSINESS SYSTEMS: Jon Wiese, dir-mktg.

American's Choice Program: Wunderman Worldwide, New York. Phil Cheevers, mgmt super.

Small Business Systems/Pac: Ogilvy & Mather, New York. Cynthia Round, sr vp-grp dir. Ogilvy & Mather Direct, New York. Cathy Tweedy, grp dir.

CAPITAL CORP.: John Schneider, div mgr-financial svcs.

AT&T Credit Corp.: Carter/Cosgrove, Alexandria, Va. Vicki Williamson, vp.

Capital Corp.: Wordsmith, Chatham, N.J. Don Smith, pres.

DATA SYSTEMS GROUP: Bill Nelson, vp-mktg.

Ogilvy & Mather, New York. Cynthia Round, sr vp-grp dir.

BUSINESS COMMUNICATIONS SYSTEMS: Douglas Ritter, adv dir.

Ogilvy & Mather, New York. Frances Wu, acct exec. Direct marketing: Ogilvy & Mather Direct, New York. Betsy Weiser, vp-mgmt super.

CALL INTERACTIVE: Brian Rivette, vp mktg.

Interactive Voice Services: Wunderman Worldwide, New York. Mark Wunderman, vp-mgmt super.

FEDERAL SYSTEMS: Linda Edgerton, sr mgmt spec.

FCB/Leber Katz Partners, New York. Mike Emerson, sr acct exec.

AT&T MICROELECTRONICS: Mike Neavill, gr dir.

FCB/Leber Katz Partners, New York. John Uusitalo, adv dir.

NEW VENTURES: Roger Greene, adv mgr.

FCB/Leber Katz Partners, New York. Mike Emerson, sr acct exec.

AT&T NETWORK SYSTEMS: Mike Neavill, public relations dir.

FCB/Leber Katz Partners, New York. Tom Carroll, sr vp-mgmt dir.

RANK: 98

Bayer AG

Leverkusen, Germany

Ad spending: $115.3 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	1,693	2,168	(21.9)
Sunday magazine	833	381	118.8
Newspaper	102	326	(68.6)
Outdoor	153	135	13.2
Network TV	32,668	35,245	(7.3)
Spot TV	3,691	6,937	(46.8)
Syndicated TV	9,810	4,163	135.7
Cable TV networks	3,989	4,249	(6.1)
Network radio	14,752	11,563	27.6
Spot radio	132	707	(81.3)
Measured media	67,823	65,873	3.0
Unmeasured	47,500	46,100	3.0
Total	115,323	111,973	3.0
By top brands	**1990**	**1989**	**% chg**
Alka-Seltzer cold products	27,510	22,113	24.4
Alka-Seltzer antacids	18,947	17,234	9.9
Flintstone vitamins	12,359	8,209	50.6

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	25,718	26,740	(3.8)
Earnings	1,274	1,416	(10.0)
U.S.	**1990**	**1989**	**% chg**
Sales	5,904	5,425	8.8
Earnings	149	154	(3.2)
Division sales	**1990**	**1989**	**% chg**
Polymers	4,471	4,390	1.8
Organic prods	3,605	3,738	(3.6)
Industrial prods	5,023	5,694	(11.8)
Healthcare	4,945	4,920	0.5
Agrochemicals	3,221	3,372	(4.5)
Imaging technologies	4,453	4,626	(3.7)

CORPORATE PROFILE

Bayer's U.S. subsidiary Miles increased ad support for its top two brands in 1990 but cut spending sharply for smaller franchises.

An 18.3% increase in measured media for the flagship Alka-Seltzer brand and a 50.6% jump for Flintstones vitamins contributed to overall 3% growth in media spending in 1990, to $115.3 million.

Alka-Seltzer line extensions benefited from increased spending in 1990. Launched in late 1989 and backed with $11.2 million in media in 1990, Advanced Formula Alka-Seltzer continued to receive the majority of the Alka-Seltzer antacid media budget. Alka-Seltzer Plus Sinus Allergy Medicine was rolled out in late 1990 and received $3.2 million in ad support.

Miles' Flintstones leads the $95 million children's chewable segment with a 30% share, said Julie Wolfe, senior analyst with business consultancy Kline & Co.

Miles in May 1991 rolled out Mycelex, the company's first drug to be transferred from prescription to over-the-counter status.

In March 1990 Miles launched S.O.S Juniors steel wool cleaning pads. But instead of adding to the budget, spending for S.O.S oven cleaning pads and S.O.S scouring pads was cut to near zero, and $2 million was spent advertising Juniors.

Miles admits competition hurt the S.O.S division in 1990. Sales of glass cleaners slipped and spending on them was cut 57.5%, to $2.1 million. Miles in mid-1991 began testing S.O.S Kitchen Safe, made from ingredients approved for use in food.

HEADQUARTERS

Bayer USA Inc./One Mellon Center/500 Grant St./Pittsburgh, Pa. 15219-2502/(412) 394-5500.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Elliott S. Schreiber, vp-corp comms; Stephen F. Lee, mgr-corp comms.

MILES INC.-CONSUMER HEALTHCARE DIV: D.B. Bellaire, vp-mktg; T.J. McKinney, vp-sales; M.E. Lawrence, mgr-media svcs.

Corporate media buying: Clifford A. Botway Inc., New York. Clifford A. Botway, chmn.

Miles overseas military, Miles trade adv: Boger, Martin, Fairchild & Co., Elkhart, Ind. Robert M. Boger, pres.

Hispanic adv: Conill Advertising, New York. Bob Reed, vp-client svcs.

Alka-Seltzer, Flavored Alka-Seltzer, Extra Strength Alka-Seltzer, Alka-Seltzer Advanced Formula: McCann-Erickson Worldwide, New York. Rob McKinley, sr vp-grp acct dir.

One-A-Day vitamins, Bactine antiseptic, Bugs Bunny vitamins, Flintstones vitamins: Tatham/RSCG, Chicago. Robert Hielscher, mg partner-cfo.

Alka-Seltzer Plus cold medicines: Wells Rich Greene BDDP, New York. Richard Byrne, exec vp.

MILES INC.-CONSUMER HOUSEHOLD PRODUCTS DIV: J.R. McGrath, vp-mktg; C.C. Culshaw, vp-sales.

S.O.S glass cleaners, S.O.S steel wool soap pads, S.O.S oven pads, Cutter insect repellents, Tuffy scouring aids: in-house.

MILES INC.-DIAGNOSTICS DIV: H.J. Hoffman, vp-mktg, N. America; K.M. Murphy, mgr-mktg comms; J.G. Emgenbroich, comms mgr-bus grp; L.M. Langendonk, comms mgr-N.Y./Technicon.

Diabetes consumer & professional products, Ames brands: Abelson-Taylor, Chicago. Dale Taylor, exec vp.

Clinical hospital products, physician office products, Ames brand: Goble & Associates, Chicago. Ed Goble, pres.

Clinical hospital products, Technicon brands: Harrison Starr, Weiner & Beitler, New York. Tom Harrison, pres.

MILES INC.-PHARMACEUTICAL PRODUCTS DIV: G.B. Rosenberg, sr vp-mktg/sales; J.J. Patchen, dir-prod mgmt; R.J. Lamb, vp-sales.

Cipro: Lavey/Wolff/Swift, New York. Joe Noel, sr vp.

Nicotrol: Rolf Werner Rosenthal, New York. Rick Snow, acct super.

MILES INC.-HOLLISTER STIER DIV: G. Horton, dir-sales/mktg; W.G. Bauernschmidt, dir-sales; C. Gurske, dir-prod mgmt.

Allergenic extracts: in-house.

MILES INC.-BIOLOGICAL PRODUCTS DIV: W.G. Johnson, vp-mktg/sales; D. Mahoney, dir-sales.

Alpha 1 Proteinase Inhibitor: Deltakos, New York. Bob Vogel, acct exec.

Blood bag line: Rainoldi-Kerzner & Radcliff, San Francisco. Jay Kerzner, vp-acct svcs.

Coagulation products: Rolf Werner Rosenthal, New York. Fred Kellogg, acct grp super.

Gammagee II: Carrafiello, Diehl & Associates, New York. Bill Allen, acct exec.

AGFA CORP.: Dionn Tron, vp-corp comm.

AGFA CORP.-PHOTO BUSINESS GROUP: Hans Kuhlman, vp-mktg, consumer/professional; Urs Stampfli, vp-retail; Craig Weatherbee, vp-mktg, Agfa Copal; Rick Noyes, dir-mktg comms.

Agfa photographic film, paper, photochemistry; Agfa and Agfa Copal photoprocessing equipment: McCann-Erickson Worldwide, New York. Steve Poppe, sr acct exec.

AGFA CORP.-ELECTRONIC PREPRESS SYSTEMS DIV: Robert Crevals, vp-intl mktg, OEM sales; Peter Broderick, dir-mktg comms.

Agfa Compugraphic electronic prepress systems, computer graphics: Anderson & Lembke, New York. Laura Donnelly, acct super.

AGFA CORP.-GRAPHIC SYSTEMS BUSINESS GROUP: Christian Aumond, dir-mktg; Peter Broderick, dir-mktg comms.

Agfa Compugraphic electronic and photographic prepress systems: Anderson & Lembke, New York. Laura Donnelly, acct super.

AGFA CORP.-MEDICAL EQUIPMENT DIV: Tom Colucci, dir-mktg comms.

Alga Matrix electronic and medical imaging products: in-house.

AGFA CORP.-TECHNICAL IMAGING BUSINESS GROUP: Tom Colucci, dir-mktg comms.

Agfa Matrix medical and industrial diagnostic products, micrographics and document systems, Agfa motion picture film: in-house.

HAARMANN & REIMER CORP.: Aroma Chemicals Div: William J. Ludlum, mktg mgr-menthol/aroma chemicals; Gary P. Romans, mktg mgr-sunscreens; Robert E. Zutic, sales mgr. Flavors Div: Jerry T. Murnane, vp-acting dir, mktg; Ken H. Burkhard, dir-sales; James F. Reynolds, dir-Dariteen sales/mktg. Fragrance Div: R.A. Higgins, vp-sales; E.H. Schmidt, dir-mktg. Food Ingredients Div: K.T. Yamashita, vp-sales/mktg.

Aroma Chemicals Div: Menthol, aroma chemicals, sunscreens; Food Ingredients Div: citric acid, sodium citrate, potassium citrate, malic acid, fumaric acid; flavors; fragrances; corporate adv: Slack Brown Communications, Chicago. Cindy Nielson, grp acct dir.

MORAY CORP.: Richard J. Donati, mgr-industrial adv; N.T. Cullen, vp-mktg, Coatings Div; Dr. Peter-Rolf Mueller, dir-technical mktg, Plastics & Fibers Div; G. Thomas Harrick, vp-mktg, Polyurethane Div; A. Strouken, vp-mktg, Pigments & Ceramics Div; Thomas J. O'Neill, dir-mktg, Pigments & Ceramics Div; Emil Lansu, Herb Klein, vps-mktg, Dyes, Pigments & Organics Div; Dr. G. Poeschel, dir-mktg, Agricultural Chemicals Div; R.K. Miller, mgr-adv, Agricultural Chemicals Div; U. Grabbe, dir-mktg, Animal Health Div.

Corporate: Della Femina, McNamee, Pittsburgh. Jeanne Smith, Casey Crossin, acct supers.

Agricultural Chemicals Div: Herbicides, Insecticides: Valentine-Radford, Kansas City, Mo. Graeme Blasdel, acct grp super.

Animal Health Div: Galen Advertising, Des Moines, Iowa. Galen Lillenthroup, rincipal.

RANK: 84

Bell Atlantic Corp.

Philadelphia

Ad spending: $134.2 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	3,427	2,788	22.9

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Sunday magazine	0	33	NA
Newspaper	3,987	4,280	(6.9)
Outdoor	334	444	(24.7)
Network TV	1,785	284	529.0
Spot TV	41,201	38,364	7.4
Cable TV networks	61	18	240.2
Spot radio	6,820	10,433	(34.6)
Measured media	57,614	56,643	1.7
Unmeasured	76,600	75,300	1.7
Total	134,214	131,943	1.7
By top brands	**1990**	**1989**	**% chg**
Bell Atlantic telephone co	13,646	15,892	(14.1)
Bell Atlantic business sys	10,216	407	2,412.4
Corporate spending	7,217	6,594	9.4
New Jersey Bell directories	6,944	6,776	2.5
C&P directories	5,676	5,476	3.6

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	12,298	11,449	7.4
Earnings	1,323	1,075	23.1
Division sales	**1990**	**1989**	**% chg**
Local access	4,617	4,406	4.8
Network access	2,970	2,778	6.9
Toll services	1,544	1,513	2.0
Directory advertising	1,579	1,481	6.6
Other communication	918	649	41.4
Financial, real estate	773	695	11.1

CORPORATE PROFILE

Bell Atlantic Corp. is turning to retail outlets to sell services this year and looking to expand into a much wider range of services following a federal court decision to lift restrictions barring the Baby Bells from owning consumer information services.

Last month, Bell Atlantic began a trial program to sell services, particularly Caller ID and Home Intercom, through Hecht's stores around Baltimore, Washington and Richmond, Va. Previously, Bell Atlantic had relied heavily on advertising to sell special services.

Last year, Bell Atlantic supported its corridor program, better known as Dial 10 NJB. Using the special access code gives dialers a lower rate calling into New York. Guardian, aimed at business users, offers insurance against a breakdown of their phone systems.

Support for Bell Atlantic's Yellow Pages directories was mixed. It spent $5.6 million on the Chesapeake & Potomac Yellow Pages, up 7.7%, and $6.9 million on the New Jersey Bell Yellow Pages, up 2.5%.

In January 1991, VP-Corporate Relations and Advertising Christopher Clouser resigned, later to join Northwest Airlines. His responsibilities were assumed by Philip Campbell, vice chairman-cfo, until March, when A. Gray Collins was named to the post from exec VP-external affairs.

The decision to give the Baby Bells access to information services must survive an appeal, and restrictions remain in effect until an appeal can be heard.

HEADQUARTERS

Bell Atlantic/1717 Arch St./Philadelphia, Pa. 19103/Phone: (215) 963-6000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: A. Gray Collins, exec vp-corp relations/adv; Deanna Hess, asst vp-adv; Roy Weitzell, dir-corp adv; Charles Pacunas, dir-Yellow Pages/large bus adv; Christina Clifton, dir-consumer/small bus adv.

Corporate, products, international: J. Walter Thompson USA, New York. Richard O'Leary, sr vp-mgmt dir.

Bell Atlantic Yellow Pages: FCB/LKP, Philadelphia. Brian Gail, sr vp-grp mgmt super.

Bell Atlantic Direct Marketing: Devon Direct Marketing and Advertising, Malvern, Pa. Ronald Greene, James Perry, mg dirs. J. Walter Thompson Direct, New York. Audrey Himmelstein, vp-mgmt super.

BELL ATLANTIC MOBILE SYSTEMS: Melanie van der Valk, dir adv/corp comms.

W. B. Doner & Co., Baltimore. John Havrilla, vp-mgmt super.

RANK: 24

Bristol-Myers Squibb Co.

New York

Ad spending: $428.7 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	41,956	44,215	(5.1)
Sunday magazine	27	624	(95.6)
Newspaper	66	464	(85.8)
Outdoor	0	228	NA
Network TV	124,363	131,652	(5.5)
Spot TV	9,580	8,058	18.9
Syndicated TV	32,559	34,253	(4.9)
Cable TV networks	10,326	9,852	4.8
Network radio	3,772	4,893	(22.9)
Spot radio	1,118	1,371	(19.0)
Measured media	223,759	235,609	(5.0)
Unmeasured	204,900	215,900	(5.1)
Total	428,659	451,409	(5.0)
By top brands	**1990**	**1989**	**% chg**
Clairol hair coloring prods	47,246	51,970	(9.1)
Excedrin pain relievers	35,540	26,043	36.5

Total U.S. ad spending by category and media

Category	Year	Total ad spending	Magazine	Sunday magazines	Newspaper	Outdoor	Network TV	Spot TV	Syndicated TV	Cable TV	Network radio	Spot radio
Retail	**1990**	**$6,494.2**	**$249.1**	**$119.7**	**$3,823.1**	**$68.9**	**$356.0**	**$1,499.1**	**$20.6**	**$36.7**	**$101.5**	**$217.6**
	1989	6,170.4	204.6	110.1	3,650.1	72.2	294.8	1,493.7	13.2	30.4	102.9	198.3
Automotive	**1990**	**5,700.7**	**901.2**	**25.5**	**809.2**	**53.0**	**1,790.0**	**1,664.8**	**115.7**	**114.1**	**106.7**	**120.5**
	1989	5,382.7	882.5	29.1	882.1	59.7	1,520.0	1,656.4	64.9	85.9	85.2	117.0
Business, consumer svcs	**1990**	**3,958.5**	**519.1**	**45.0**	**1,320.1**	**64.7**	**698.6**	**861.7**	**56.8**	**100.9**	**114.0**	**177.6**
	1989	3,805.9	525.1	40.3	1,401.7	61.4	624.9	814.5	46.6	96.6	92.8	102.0
Food	**1990**	**3,874.0**	**449.3**	**34.7**	**45.4**	**11.0**	**1,663.5**	**1,025.2**	**351.7**	**124.7**	**75.1**	**93.4**
	1989	3,651.7	437.5	21.6	49.4	10.2	1,661.6	911.8	314.5	103.5	74.5	67.0
Entertainment	**1990**	**3,063.6**	**44.4**	**3.0**	**611.3**	**47.2**	**875.1**	**1,170.8**	**147.2**	**62.3**	**14.8**	**87.5**
	1989	2,778.1	26.0	2.4	518.1	49.8	823.8	1,144.4	76.2	50.8	9.3	77.2
Toiletries & cosmetics	**1990**	**2,333.3**	**675.6**	**27.3**	**5.4**	**2.6**	**1,034.3**	**279.5**	**188.7**	**87.7**	**17.0**	**15.2**
	1989	2,195.0	648.9	32.3	5.9	3.2	921.5	301.3	165.7	82.3	19.7	14.3
Travel, hotels	**1990**	**2,215.9**	**374.5**	**37.9**	**1,048.6**	**49.9**	**203.7**	**324.7**	**10.2**	**37.4**	**42.2**	**86.8**
	1989	2,075.2	366.2	39.7	980.8	50.6	194.0	283.0	5.9	31.9	42.3	80.7
Drugs & remedies	**1990**	**1,690.7**	**160.4**	**17.5**	**118.1**	**13.6**	**787.2**	**320.0**	**133.9**	**60.5**	**53.4**	**26.2**
	1989	1,525.8	133.5	20.3	106.6	12.9	739.0	270.5	117.9	58.7	55.6	10.9
Snacks & soft drinks	**1990**	**1,231.0**	**64.5**	**3.5**	**22.4**	**10.1**	**452.1**	**382.8**	**168.4**	**52.8**	**29.4**	**45.1**
	1989	1,077.8	53.7	3.2	16.4	6.7	408.3	352.2	120.9	47.6	38.2	30.6
Direct response cos.	**1990**	**1,210.5**	**526.4**	**253.5**	**103.2**	**2.2**	**34.5**	**110.5**	**28.5**	**81.9**	**59.5**	**10.3**
	1989	1,155.0	507.5	226.4	106.0	2.7	62.5	125.7	24.6	62.3	31.6	5.6
Apparel, footwear	**1990**	**912.1**	**426.5**	**29.4**	**13.1**	**7.9**	**230.5**	**100.7**	**52.9**	**38.9**	**4.0**	**8.3**
	1989	836.1	391.6	30.3	11.3	7.1	232.2	89.8	27.2	36.4	3.4	6.8
Insurance & real estate	**1990**	**896.2**	**131.0**	**16.1**	**307.1**	**28.4**	**204.1**	**129.3**	**8.9**	**16.6**	**31.3**	**23.5**
	1989	887.5	134.2	19.0	334.1	30.6	193.5	111.5	4.4	15.7	22.4	22.2
Beer & wine	**1990**	**751.5**	**45.5**	**3.5**	**10.3**	**20.0**	**302.1**	**210.4**	**45.2**	**37.0**	**5.0**	**72.4**
	1989	837.5	41.7	2.8	23.0	20.5	380.9	220.6	36.0	38.4	9.2	64.4
Publishing & media	**1990**	**739.8**	**215.5**	**7.9**	**233.0**	**38.6**	**29.4**	**130.2**	**5.8**	**23.6**	**17.8**	**38.0**
	1989	709.8	192.6	4.6	248.3	47.7	11.3	148.1	2.5	18.6	15.2	20.8
Household equip.	**1990**	**661.7**	**117.9**	**13.8**	**25.8**	**1.3**	**260.4**	**146.7**	**40.6**	**27.9**	**18.1**	**9.2**
	1989	630.4	103.0	10.9	22.9	0.7	264.8	130.6	43.7	23.6	21.1	9.3
Sporting goods, toys	**1990**	**635.3**	**126.7**	**1.2**	**6.8**	**0.2**	**140.4**	**233.4**	**82.8**	**40.2**	**0.6**	**2.9**
	1989	596.6	130.6	0.7	7.1	0.2	125.9	218.0	81.4	29.6	1.2	1.8
Soaps & cleansers	**1990**	**632.9**	**61.0**	**8.8**	**2.9**	**2.8**	**305.6**	**155.4**	**67.7**	**30.6**	**0.1**	**6.1**
	1989	599.6	67.2	2.1	2.9	2.6	312.4	116.9	67.7	26.1	0.1	1.6
Computers, office equip	**1990**	**604.1**	**285.4**	**5.0**	**71.1**	**3.3**	**152.2**	**28.7**	**7.0**	**19.5**	**20.3**	**11.5**
	1989	647.0	288.9	8.5	92.1	2.4	165.6	42.3	4.9	16.9	13.3	12.1
Cigarettes, tobacco	**1990**	**585.2**	**311.3**	**52.2**	**30.3**	**182.6**	**0.0**	**4.4**	**0.5**	**0.4**	**3.2**	**0.4**
	1989	675.0	401.5	45.7	31.6	187.8	0.2	4.9	0.0	0.7	2.1	0.5
Jewelry, cameras	**1990**	**367.4**	**156.3**	**9.9**	**8.0**	**3.0**	**117.8**	**40.7**	**14.9**	**10.8**	**3.5**	**2.4**
	1989	360.8	153.5	11.4	11.5	1.8	105.5	52.9	11.0	10.0	1.1	2.0
Gasoline & lubricants	**1990**	**343.6**	**39.8**	**1.6**	**24.2**	**6.6**	**39.0**	**169.6**	**1.6**	**8.5**	**1.6**	**51.1**
	1989	308.1	28.6	1.6	25.8	6.1	38.3	164.4	0.6	9.7	4.1	28.8
Building materials	**1990**	**341.4**	**91.1**	**7.4**	**52.3**	**1.6**	**80.6**	**67.8**	**2.4**	**23.0**	**8.0**	**7.2**
	1989	360.7	81.7	7.9	56.2	1.6	92.0	85.2	2.6	18.1	10.8	4.6
Electronic entertainment	**1990**	**339.6**	**89.9**	**4.4**	**13.6**	**1.9**	**82.4**	**74.5**	**14.4**	**35.1**	**18.8**	**4.4**
	1989	336.6	102.5	2.8	12.2	1.8	58.9	85.7	18.0	30.7	17.3	6.6
Liquor	**1990**	**290.8**	**232.2**	**10.3**	**8.4**	**36.5**	**0.0**	**1.3**	**0.0**	**0.0**	**0.0**	**2.0**
	1989	272.8	214.9	11.0	9.0	36.9	0.0	0.4	0.0	0.0	0.0	0.6
Household furnishings	**1990**	**280.9**	**113.8**	**16.3**	**49.7**	**0.9**	**52.1**	**38.6**	**2.3**	**3.6**	**2.5**	**1.1**
	1989	324.4	122.6	23.8	42.6	0.9	69.8	57.2	1.7	2.1	2.3	1.2
Pets, pet foods	**1990**	**213.6**	**28.8**	**3.1**	**7.6**	**0.5**	**104.1**	**38.9**	**15.4**	**10.6**	**2.6**	**2.0**
	1989	273.8	45.8	4.4	4.6	0.3	133.9	40.9	28.4	10.7	4.2	0.6
Horticulture & farming	**1990**	**206.5**	**22.1**	**5.2**	**48.6**	**1.1**	**36.8**	**53.4**	**2.8**	**13.1**	**11.0**	**12.3**
	1989	211.3	24.5	3.2	49.9	0.9	39.0	65.8	5.1	8.2	10.5	4.3
Freight	**1990**	**133.1**	**37.1**	**0.2**	**10.5**	**1.4**	**51.4**	**23.6**	**0.1**	**3.7**	**0.4**	**4.7**
	1989	154.7	47.5	4.6	12.0	0.2	54.7	22.7	0.0	3.2	4.8	4.9
Industrial materials	**1990**	**129.5**	**64.9**	**1.1**	**9.5**	**0.8**	**44.1**	**2.2**	**0.1**	**4.4**	**1.1**	**1.2**
	1989	111.2	62.8	0.7	7.5	0.9	24.0	11.0	0.7	2.0	0.0	1.6
Business propositions	**1990**	**39.1**	**26.4**	**1.4**	**2.5**	**1.0**	**2.3**	**2.8**	**0.0**	**0.4**	**0.4**	**1.9**
	1989	32.4	20.3	0.4	2.4	0.6	3.3	3.6	0.0	0.5	0.9	0.3
Airplanes, aviation	**1990**	**23.0**	**19.3**	**0.1**	**2.4**	**0.1**	**0.2**	**0.4**	**0.0**	**0.1**	**0.3**	**0.2**
	1989	18.2	14.0	0.2	2.7	0.1	0.4	0.3	0.0	0.5	0.0	0.0
Miscellaneous	**1990**	**238.3**	**130.6**	**18.6**	**57.3**	**25.1**	**1.5**	**1.2**	**0.3**	**1.1**	**2.3**	**0.3**
	1989	236.0	139.3	15.2	50.5	24.4	1.8	3.3	0.4	0.8	0.1	0.4
Total	**1990**	**41,138.5**	**6,737.7**	**777.1**	**8,901.9**	**688.8**	**10,132.3**	**9,293.3**	**1,587.6**	**1,110.2**	**766.4**	**1,143.3**
	1989	39,238.0	6,595.0	737.0	8,777.4	705.8	9,559.0	9,029.4	1,286.7	952.5	696.2	898.7

Note: Dollars are in millions. See "Methodology and sources" Page 71 for more information.

AA chart: Kevin Brown

U.S. AD SPENDING ($ in thousands)

By top brands	1990	1989	% chg
Nuprin pain reliever	24,062	29,620	(18.8)
Ban deodorants	15,046	14,037	7.2
Bufferin pain relievers	12,330	16,567	(25.6)
Comtrex cold products	11,224	12,397	(9.5)
Renuzit air fresheners	8,961	11,267	(20.5)
Clairol haircare pdts.	8,432	13,265	(36.4)
Keri lotion	7,875	5,987	31.5
Mineral Ice gel	7,551	6,534	15.6
Clairol hair pdts for men	6,775	5,017	35.1

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	10,300	9,189	12.1
Earnings	1,748	747	134.0
U.S.	**1990**	**1989**	**% chg**
Sales	7,017	6,478	8.3
Profit	1,747	1,259	38.8
Division sales	**1990**	**1989**	**% chg**
Pharmaceuticals	5,261	4,442	18.4
Non-prescription health prods.	1,773	1,662	6.7
Toiletries, beauty aids	1,830	1,858	(1.5)
Medical devices	1,436	1,227	17.0

CORPORATE PROFILE

Bristol-Myers Squibb Co.'s Excedrin headache was a December 1990 U.S. District Court ruling against ad claims that Aspirin Free Excedrin was better than Extra-Strength Tylenol.

Bristol was forced to pull its $10 million effort, replacing it with retro advertising that revived the "Excedrin headache" of the '60s.

The comparative ad campaign, coinciding with a $30 million effort for Nuprin, bespoke of a decidedly more aggressive Bristol.

Bristol this spring introduced Bufferin AF Nite Time, an aspirin-free pain reliever and sleep aid, with ad support of $12 million-plus.

Ad spending shifted significantly for Ban antiperspirants, Bufferin and Excedrin analgesics brands.

Total media spending for Ban brands was up 7.2%, with Ban Solid getting $13.6 million, up 134%.

Support for Ban Spray may have been a casualty of the green revolution; advertising vaporized after the company spent $4.9 million on the brand in 1989.

Overall ad spending for Bufferin dipped 25.6%. Spending for Bufferin tablets was up 164% to $10.3 million; at the same time, ad support for regular Bufferin tablets and capsules was slashed to $1 million from $12.6 million.

Media support for the Clairol line dipped 7% to $66.7 million. Few new products hit the market, exceptions being Lock 'n Roll hair curlers, with $2.6 million in media in its first year, and several new extensions to the Condition hair treatment and styling line. Condition spending was $3.7 million, up 19.4%.

During 1991's first quarter, the toiletries, beauty aids and household cleaners segment was restructured from a regionally run unit to a single global operation to copy operations of other segments. Growth lies outside the segment's mature categories in North America.

Among the segment's leading household products, Drano received a professional-strength extension; the Renuzit air freshener brand got new potpourri scents in 1990, and in early 1991, a Fragrance Jar extension.

Last fall Bristol bought a minority share in Upsa Group, Agen, France, to expand its OTC business in Europe, where Upsa is the No. 2 analgesics marketer. Bristol plans to help develop Upsa's operations internationally.

Bristol has worldwide aspirations for its prescription drugs as well, seeking approval for cholesterol-lowering drug Pravachol in at least 22 countries and developing anti-AIDS drug Videx.

HEADQUARTERS

Bristol-Myers Squibb Co./345 Park Ave./New York, N.Y. 10154/Phone: (212) 546-4000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Peter J. Spengler, vp-mktg svcs.

U. AMERICAN CONSUMER PRODUCTS GROUP: Peter R. Dolan, sr vp-mktg/sales, Bristol-Myers Prods.; Kenneth Sobaski, vp-mktg, Drackett; Michael A. DeGennaro, sr vp-gm, appliances-Canada, professional & bus devel-Clairol; George Fotiades, sr vp-gm, consumer-Clairol.

Excedrin, Final Net, Loving Care, Nice 'n Easy, Sea Breeze line, Instant Beauty, Clairol trade ads: DDB Needham Worldwide, New York. Rein Luik, exec vp-dir client svcs.

Drano line, Miss Clairol, Ultress, Category Expansion (formerly New Uses): Grey Advertising, New York. Robert Berenson, exec vp.

Ban Roll-on, Bufferin, Clairol appliances, Comtrex, Vanish line, Behold, Endust, Renuzit Roommate, Renuzit Fragrance Jar, Condition, Mr. Muscle, Keri lotion, Option, Presun, Windex: Laurence, Charles, Free & Lawson, New York. Alfred L. Evans Jr., Frank Macina, Alfred Magnane, exec vps-mgmt supers.

Twinkle, B'Cedar: Fahlgren Martin, Cincinnati. Vincent J. Backley Jr., vice chmn.

Tempra: Goble & Associates, Chicago. Don Overcash, vp-mgmt super.

Bayer: J. Walter Thompson USA, New York. Alan Coltz, sr vp-mgmt dir.

HEALTH CARE GROUP: Chip Winnebald, vp-mktg, Zimmer; Scott Gillis, vp-gm, BM-Squibb Medical Products Group, Convatec-U.S; John Hamilton, vp-mktg/sales operations, Linvatec; Nancy Caffiero, vp-sales/mktg, urology-Surgitek; A. Richard Zimmerman, vp-sales/mktg, plastic surgery-Surgitek; William B. Williams, sr vp-sales/mktg, Xomed-Treace.

BRISTOL-MYERS SQUIBB U.S. PHARMACEUTICAL GROUP & MEAD JOHNSON NUTRITIONAL GROUP: Gary P. Gibson, vp-gm, Bristol-Myers U.S. Pharmaceutical Div.; Thomas Jordan, vp-mktg, Bristol-Myers Oncology; Thomas Overmyer, Diane Tult, grp prod dirs-Mead Johnson Oncology; Walter Berglund, sr dir-mktg, Westwood-Squibb Pharmaceuticals; Brian Markinson, dir-mktg, Squibb Diagnostics; Nanci Bachman, dir-mktg, Apothecon; John M. Bullock, vp-gm, Mead Johnson Nutritionals U.S.; Rex Mason, vp-mktg, Mead Johnson Enteral Nutritional & Consumer Brands.

Gerber Baby Formula: Grey Advertising, New York. Robert Berenson, exec vp.

Poly-Vi-Sol Flor: Goble & Associates, Chicago. Don Overcash, vp-mgmt super.

Theragran: Saatchi & Saatchi Advertising, New York. Rich Pounder, exec vp.

Ed Graf & Sons, Waltham, MA

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RANK: 62

Campbell Soup Co.

Camden, N.J.
Ad spending: **$175.3** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	12,202	12,791	(4.6)
Sunday magazine	3,618	1,258	187.7
Newspaper	2,640	3,528	(25.2)
Outdoor	52	698	(92.5)
Network TV	52,048	62,779	(17.1)
Spot TV	17,666	14,773	19.6
Syndicated TV	10,519	11,092	(5.2)
Cable TV networks	4,231	4,365	(3.1)
Network radio	12,536	13,967	(10.2)
Spot radio	1,410	5,957	(76.3)
Measured media	116,923	131,207	(10.9)
Unmeasured	58,400	65,500	(10.8)
Total	175,323	196,707	(10.9)
By top brands	**1990**	**1989**	**% chg**
Campbell soups	53,265	50,785	4.9
Prego sauces	8,927	8,637	3.4
Mrs. Paul's seafoods	8,679	2,983	190.9
Pepperidge Farm cookies	6,949	8,004	(13.2)
V-8 vegetable juice	5,901	11,734	(49.7)
Swanson frozen foods	5,667	5,780	(2.0)
Le Menu frozen dinners	5,555	7,859	(29.3)

SALES & EARNINGS ($ in millions)

Worldwide	1991	1990	% chg
Sales	6,205	5,672	9.4
Earnings	4	403	(98.9)
U.S.	**1991**	**1990**	**% chg**
Sales	3,933	3,912	0.5
Earnings before taxes	371	633	(41.4)
Division sales	**1991**	**1990**	**% chg**
Campbell N.A.	3,933	3,912	0.5
Campbell Canada	384	352	9.1
Pepperidge Farm	582	569	2.3
International Biscuit	195	219	(11.0)
Campbell International	1,190	1,223	(2.7)

CORPORATE PROFILE

New President-CEO David Johnson stirred the pot at Campbell Soup Co. in 1990, slashing spending in U.S. marketing 5% and ending the company's practice of annually upping the marketing ante by 15%. The idea was to improve the bottom line even at the risk of losing share points.

As a result, Campbell's calendar 1990 media advertising, half of which was spent in the company's fiscal year ended July 31, 1990, was reduced by about $14 million to $116.9 million.

The strategy was short-term. With financial goals essentially met, the company is hiking its domestic ad spending 30% for fiscal 1992 and "returning to brand building."

Part of Campbell's plan to shore up profitability has been to emphasize efficiencies across the board: Headquarters staff was cut by 267 in May 1990, the agency roster was consolidated, the position of category manager was eliminated, more umbrella campaigns were used and fewer products were introduced.

This year, Campbell has abandoned the umbrella approach for advertising individual varieties. While ad spending was flat, condensed soup case volume climbed 4%—compared with flat to declining volumes for several years—behind the new strategy and including new kids' introductions of Souper Stars, Curly Noodle and Teddy Bear soup.

Campbell dominates canned soups with a 76.5% share of the $1.7 billion category, Information Resources Inc.'s InfoScan service reported.

Campbell's frozen foods division pulled two products introduced earlier in the year: lunchtime frozen Souper Combos and Harvest Grain breakfasts. They had introductory budgets of $13 million and $5 million, respectively.

Harvest Grain, which began national distribution in July 1990, was a "healthy" breakfast entree introduced almost simultaneously with rival H.J. Heinz Co.'s Weight Watchers' low-calorie frozen breakfasts. Distribution difficul-

ties and consumer misunderstanding of the product's name were blamed for poor sales. The company is restaging the line under the name Great Starts Healthy.

Campbell, leader in the $800 million frozen breakfast entree market, in 1990 introduced Great Starts Budget Breakfast and in 1991 launched Big Start, a large breakfast meal.

Campbell's Mrs. Paul's brand, which had been rumored to be headed for the auction block, registered a surprising 40% gain in profits in calendar 1990 attributed to price increases, a 55% hike in ad spending to $8.7 million and value-added positioning.

The recession helped drive up volume at budget-price Swanson by 15%. But the recession hurt Le Menu, which suffered a 20% volume decline in supermarkets in the first quarter of calendar 1991.

Le Menu took a battering from competitor ConAgra's Healthy Choice. In 1990, newly introduced Healthy Choice had a phenomenal 9.7% share of the $3.4 billion overall frozen-dinner/entree market, compared with Le Menu and Le Menu LightStyle's 5.5%.

As a result, Campbell in 1991 recast LightStyle into Le Menu Healthy, a low-fat, low-sodium line.

Spending for V-8 vegetable juice plummeted to $3 million from $11 million. Campbell is trying to revive the brand with a new campaign.

Campbell's weakest link was Pepperidge Farm, normally a star performer with about 6% of the cookie/cracker market, compared with leader Nabisco Biscuit Co.'s 44%. The recession drove consumers away from the pricey lines, and by spring volume had dropped about 8%.

The hemorrhage prompted Pepperidge to drop its original fiscal 1991 ad budget projections by 55% to $8 million and renegotiate compensation with agency Ogilvy & Mather. Campbell spent only $656,000 in media on Pepperidge in the first quarter of calender 1991, down 87%.

Pepperidge Farm President Dick Shea said the unit plans to boost spending in fiscal 1992 "at least 40% to 50%" to about $12 million and that it could go as high as $16 million by yearend, dispelling the need to renegotiate compensation.

The unit is rolling out a line of low-fat cookies this fall called Wholesome Choice, to compete with Nabisco's My Goodness!, testing on the West Coast.

HEADQUARTERS

Campbell Soup Co./Campbell Place/Camden, N.J. 08103-1799/Phone: (609) 342-4800.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: P.N. Mulcahy, vp-adv/pres-CSC Advertising; C.V. McCarthy, pres-Campbell Sales Co.; A.J. Adams, vp-mktg research; D.F. Macaulay, dir-design; G.D. Mahrlig, dir-media svcs; H.P. Pelouze, dir-promo.

SOUP SECTOR: R.F. Bernstock, vp-soup sector; Condensed/cooking soups: D.G. Brewster, bus dir; D.G. Thompson, E. Sung, sr mktg mgrs; T.L. Cruikshank, R. Kitchenoff, mktg mgrs. Ready-to-serve soups: A.D. van Beuren, bus dir; A.L. Wadell, B.G. Walker, M.D. Foster, mktg mgrs. Dry soups: P.M. Gummeson, bus dir; J.M. Davidson, sr mktg mgr; J.A. Rosati, mktg mgr; K.L. Voellinger, assoc mktg mgr.

Red & White, condensed & dry soup: Backer Spielvogel Bates Worldwide, New York. Roberto Calderin, vp-mgmt representative.

Ready-to-serve soup: BBDO Worldwide, New York. Anthony Brescia, sr vp-sr acct dir.

CONVENIENCE FOODS: J.F. Van Stone, sector vp-convenience meals; G.T. Fassak, bus dir-frozen meals; M.G. Smith Jr., mktg mgr-Swanson entrees; A.R. Sakalay, mktg mgr-Hungry Man dinners; J.P. Brennan, mktg mgr-Swanson dinners; D.M. Berkowitz, assoc mktg mgr-Swanson dinnrs; M.S. Kessler, bus dir-premium meals; S.L. Nicholas, mktg mgr, LeMenu; H.M. Kent, mktg mgr-LeMenu Healthy; M. Christ, mktg asst; G.S. Loesch, bus dir-breakfasts; W.J. Tullis, mktg mgr-breakfasts; R.T. Whalen, mktg mgr-new prods; D. Kauffman, grp mktg mgr-poultry/pies; V.A. Melchiorre, mktg mgr-frozen poultry/pies/canned poultry; S.M. Regan, bus dir-seafood; R.J. Davis, R.W. Johnston, mktg mgrs-seafood.

Swanson, Mrs. Paul's: BBDO Worldwide, New York. Anthony Bresica, sr vp-sr acct dir.

Great Starts breakfasts, LeMenus dinners & entrees: Ogilvy & Mather, New York. Mike Vaughn, sr vp-exec grp dir.

GROCERY MFR: K. MacDonnell, sector vp-grocery; W. Boundy, sr mktg mgr-red juices; H.G. Parker, mktg mgr, V-8; L. Nussman, mktg mgr-tomato juice; T.C. Sager, D. Wong, mktg mgrs-Prego; L. Markshall, assoc mktg mgr-Prego; G.K. Poirier, mktg mgr-gravy/Open Pit barbeque sauce; C.A. Hartmann, sr mktg mgr-beans/pasta; N. Krawczyk, S. Branch, assoc mktg mgrs-pasta; B. Fall, assoc mktg mgr-beans; L. Klein, sr mktg mgr-Marie's; D. Stalker, mktg mgr-Marie's.

Prego spaghetti sauce, new products, V-8, Campbell's tomato juice: FCB/Leber Katz Partners, New York. Bob Hirsch, sr exec vp-dir acct mgmt.

Franco-American pasta, Campbell's beans: CSC Advertising (in-house), Camden, N.J. Paul N. Mulcahy, pres. Bayer Bess Vanderwarker, Chicago. Joanie Rosen, acct exec.

CAMPBELL FOODSERVICE CO.: John Riley, bus dir; E.A. Lynn, sr mktg mgr; T.L. Clemm, mktg mgr; W.J. Caskey, vp-sales; J.A. Blauner, B. McGrory, sr mktg mgrs; K. Patton, assoc mktg mgr.

Rockett, Burkhead & Lewis, Raleigh, N.C. Howard Rockett, chmn.

GODIVA CHOCOLATIER: R. Scheer, grp mktg dir.

Margeotes Fertitta & Weiss, New York. George Fertitta, pres.

VLASIC FOODS: R.W. Shaw, vp-bus planning/devel; D.M. Striegel, vp-foodservice; S.L. Terry, sr dir mktg-pickles; T.F. List, gm-gravy/sauces; D.A. DeWalt, dir-mktg; L.T. Uhl, mktg research.

W.B. Doner & Co., Southfield, Mich. Richard Friday, sr vp-grp mgmt super.

PEPPERIDGE FARM: R.W. Urbain, vp-gm, biscuit; C.W. Rydin, vp-gm, bakery; P.J. Callaghan, gm-frozen; B.L. Gustaitis, vp-gm, foodservice; D.K. Young, gm-mail order; W.R. Encherman, dir mktg-biscuit; L.M. Kelso, dir mktg-bakery; F.A. Anderson, dir mktg-frozen; C.E. Woodward, dir mktg-foodservice.

Ogilvy & Mather, New York. M. Vaughn, sr vp-exec grp dir.

RANK: 97

Canon Inc.

Tokyo

Ad spending: **$119.5 million**

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Sunday magazine	32,950	28,622	15.1
Newspaper	1,688	3,645	(53.7)
Outdoor	546	513	6.4
Network TV	25,226	14,815	70.3
Spot TV	2,636	5,735	(54.0)
Syndicated TV	1,166	318	266.3
Cable TV networks	740	1,195	(38.1)
Spot radio	724	0	NA
Measured media	65,676	54,845	19.8
Unmeasured	53,800	44,900	19.8
Total	119,476	99,745	19.8
By top brands	**1990**	**1989**	**% chg**
Canon duplicating equipment	26,547	24,326	9.1
Canon cameras & accessories	21,486	16,655	29.0
Canon video equipment	5,200	2,315	124.4

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	12,800	10,007	27.9
Earnings	455	284	60.2
U.S.	**1990**	**1989**	**% chg**
Sales	3,820	3,058	24.9
Operating income	NA	NA	NA
Division sales	**1990**	**1989**	**% chg**
Copiers	5,082	3,949	28.7
Computer peripherals	2,574	2,030	26.8
Business systems	2,434	2,023	20.3
Cameras	1,856	1,316	41.0
Optical products	854	689	23.9

CORPORATE PROFILE

Canon, in the midst of a five-year "global corporation plan" that includes aggressive worldwide marketing, sharply boosted its U.S. ad spending to help drive up copier and camera sales.

Worldwide, company profits jumped 60.2% last year on a 27.9% rise in sales as the company also boosted global advertising 32.8% to $535.1 million.

In the U.S., Canon USA increased media spending 38.8% to $20 million on cameras, the company's original business. A big portion of the totals backed the launch of the EOS Rebel single lens reflex camera in a campaign featuring tennis player Andre Agassi. The network TV portion for cameras more than doubled to $12.7 million.

The advertising apparently has paid off: Canon believes the $300 EOS Rebel, introduced in September 1990, has become the best-selling quality 35mm camera in the country.

Though lesser spending amounts were involved, Canon also has moved boldly in the camcorder market. Rather than hold its ad fire for the holiday season, Canon has aggressively advertised the compact Canovision 8 camcorder in the spring, reflecting in part Canon's belief that camcorders aren't as seasonal as once considered.

But the approach also has helped win dealer acceptance of the camera early in the year, assuring adequate shelf space for the Canon entry when the heavy holiday buying season does come.

Canon's camcorder marketing included tie-ins with Little League baseball, with the Canovision 8 being designated the "official" Little League camcorder and Canon sponsoring telecasts of the Little League World Series.

According to *Television Digest*, Canon's share of the camcorder market rose a point to 3% in 1990, and its rank rose one position to No. 10.

Copiers are Canon's biggest business, accounting for nearly 40% of worldwide sales. Canon USA's media spending on copier advertising rose 9.1% last year to $26.5 million as Canon claimed about one-fourth of the U.S. copier market, making it category leader nine consecutive years.

In an effort to expand the so-far disappointing size of the color copier market, Canon earlier this year shifted its ad strategy to stress the competitive edge color copies can provide in presentations and reports.

Canon also has launched a new corporate campaign that attempts to unify the look and message of Canon ads. The theme line of the $2 million-plus print campaign is "Your image matters to us."

HEADQUARTERS

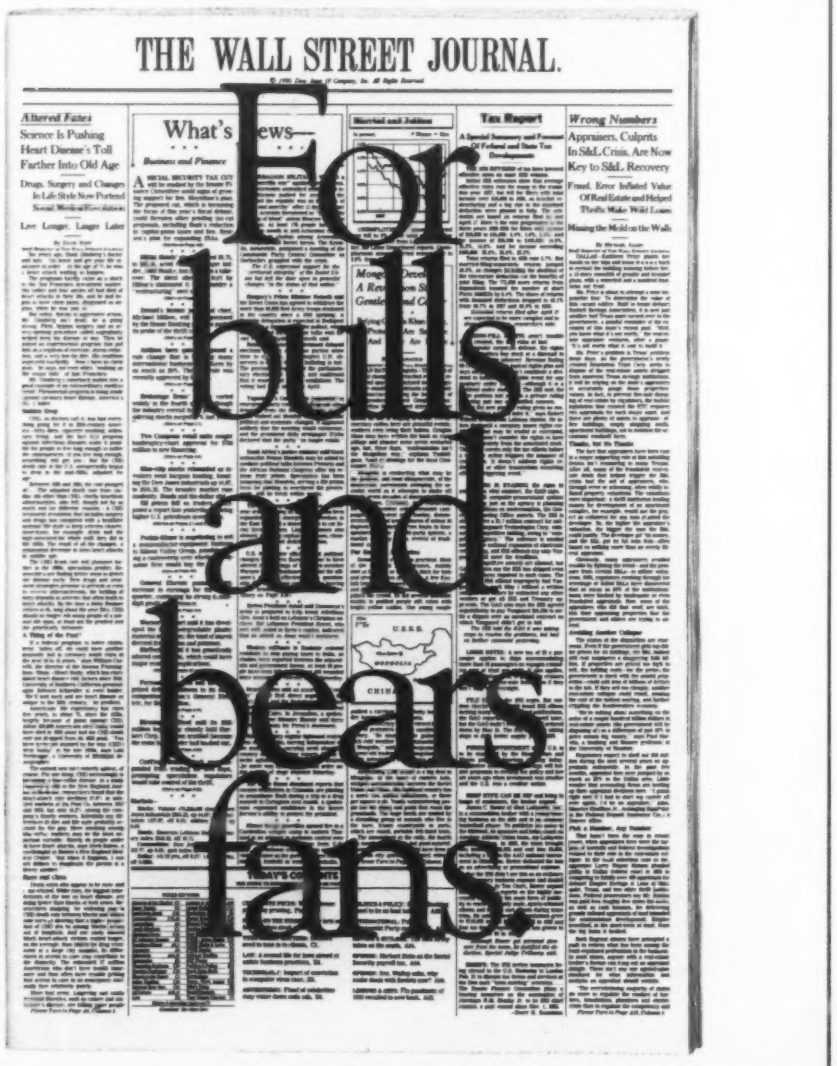
Canon USA/One Canon Plaza/Lake Success, N.Y. 11042/Phone: (516) 488-6700.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Hajime Hirai, vp-gm, corp pr.

Canon business machines, camcorders: DCA Advertising, New York. Norman Hajjar, sr vp-dir, client svcs.

Canon cameras: Grey Advertising, New York.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Jeff Levine, sr vp-grp mgmt super.
Public relations: The Rowland Co., New York. Mark Weiss, sr exec vp.

RANK: 67

Carter Hawley Hale Stores

Los Angeles
Ad spending: $157.4 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	169	242	(30.2)
Sunday magazine	1,143	463	146.8
Newspaper	72,791	66,859	8.9
Outdoor	10	6	75.4
Spot TV	11,037	10,555	4.6
Spot radio	786	1,341	(41.4)
Measured media	85,936	79,466	8.1
Unmeasured	71,500	66,100	8.2
Total	157,436	145,566	8.2

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	2,858	2,787	2.5
Earnings	(26)	13	NA

CORPORATE PROFILE

Carter Hawley Hale Stores, overwhelmed by debt, recession and agile competitors, filed for Chapter 11 bankruptcy reorganization in February. But a possible savior, investor Sam Zell, emerged in July for the West Coast's biggest department store chain.

Mr. Zell's Zell/Chilmark Fund, which invests in troubled companies, proposed to invest $290 million in Carter Hawley in return for a controlling stake. Other offers could surface, because by mid-September the committee of creditors had not endorsed the bid, which it felt was too low.

Carter Hawley's problems began in 1987 when it loaded up on debt to fend off a takeover attempt by The Limited. With little money to invest in remodeling, the retailer has been criticized for its tired-looking stores and uninspired merchandising.

Before filing for reorganization, Carter Hawley refocused all its attention on the West Coast. In December 1990, the retailer sold its 26-store Thalhimer Bros. division to May Department Stores Co. for $317 million. Last April, the company merged management of its 12-store Weinstocks division with its 22-store Emporium division; the stores' names didn't change.

Carter Hawley has 83 full-line department stores in six Western states. The company has no plans to open other stores.

The stores cater to middle-to-upper-middle-income customers, carrying similar merchandise and many of the same private-label lines. The three divisions oversee their own advertising creative, media and production. Carter Hawley chains all rank first or second in sales in their primary markets.

In calendar 1990, Carter Hawley's media spending returned to 1988 levels. The 1989 figure was depressed mainly from spending cutbacks at Emporium following the October 1989 Bay area earthquake.

HEADQUARTERS

Carter Hawley Hale Stores/444 S. Flower St./Los Angeles, Calif. 90071-2900/Phone: (213) 620-0150.

PERSONNEL, BRANDS, AGENCIES

THE BROADWAY (Southern Calif.): Josephine Lawley, sr vp-mktg/promo.
In-house.

THE BROADWAY (Southwest): Steve Tvert, pres-Thomas/Tvert Advertising; Walter Knowles, div vp-adv dir.
Thomas/Tvert Advertising, Phoenix. Steve Tvert, pres.
EMPORIUM, WEINSTOCKS: Alice McNaughton, sr vp-sales promo; Marsha McLain, div vp-adv.
In-house.

RANK: 21

Chrysler Corp.

Highland Park, Mich.
Ad spending: $528.4 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	103,492	130,863	(20.9)
Sunday magazine	3,611	8,476	(57.4)
Newspaper	12,002	13,118	(8.5)
Outdoor	958	1,214	(21.1)
Network TV	190,014	140,581	35.2
Spot TV	56,825	51,898	9.5
Syndicated TV	10,872	4,949	119.7
Cable TV networks	9,239	11,858	(22.1)
Network radio	9,994	13,326	(25.0)
Spot radio	15,711	40,254	(61.0)
Measured media	412,717	416,536	(0.9)
Unmeasured	115,700	116,800	(0.9)
Total	528,417	533,336	(0.9)
By top brands	**1990**	**1989**	**% chg**
Chrysler cars	135,837	106,153	28.0
Dodge cars	82,997	80,591	3.0
Jeep vehicles	52,822	45,978	14.9
Dodge trucks & vans	45,142	60,328	(25.2)
Plymouth cars	34,440	40,255	(14.4)
Eagle cars	27,932	31,068	(10.1)
Plymouth trucks & vans	9,468	8,685	9.0
Chrysler Town & Country	7,841	1,349	481.3
Mopar parts & service	7,440	3,033	145.3
Thrifty Rent-A-Car systems	5,742	3,882	47.9

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	30,620	35,186	(13.0)
Earnings	68	359	(81.1)
U.S.	**1990**	**1989**	**% chg**
Sales	26,887	31,014	(13.3)
Net income	(84)	292	NA
Division sales	**1990**	**1989**	**% chg**
Car & truck	27,009	31,243	(13.6)
Financial svcs	3,774	4,079	(7.5)

CORPORATE PROFILE

A stumbling U.S. economy, broad-based market-share erosion and increasing costs for sales incentives in 1990 through the first half of 1991 at Chrysler Corp. have led some observers to question its long-term viability.

Despite the naysayers, Chrysler defied most analysts' predictions by eking out a profit in 1990—the result of an aggressive cost-reduction program. The No. 3 domestic auto marketer posted a loss of $810 million in the first half of 1991, however, but kept intact its $16.4 billion, five-year development program.

Chrysler reorganized its vehicle development teams last January, creating four teams made up of representatives from marketing, product planning, design, vehicle engineering, manufacturing engineering, procurement and supply, and finance. The system gives team members broad decisionmaking authority in hopes of responding quicker to market forces.

The company is banking on a flurry of key new products in 1992. Early in the year, Jeep will get an all-new sport-utility vehicle dubbed the Grand Cherokee.

Also coming in early 1992 will be the Dodge Viper, a low-volume V-10-powered sports car that will be an important image leader for the company. By fall of 1992, Chrysler will bring out the first midsize sedans from its highly touted LH project.

One factor that's continued to hurt Chrysler is its almost total reliance on the North American market, a highly competitive free-for-all in which more than 40 car and truck brands compete.

Italy's Fiat Auto conducted extensive talks with Chrysler in 1990, with the goal of acquiring a stake in the U.S. auto marketer or at least striking a joint distribution agreement. Talks broke down late in the year, but analysts predict Chrysler will continue to seek a partner for international expansion.

Chrysler's share of the U.S. car market was 9.3% in 1990, down 1.1 percentage points from 1989. The company sold 860,834 cars in the U.S., a decline of 15.6%.

Chrysler also slipped on the truck side, its U.S. share falling 2.4 points to 18.2%. Some of the share loss was attributed to reduced minivan availability because of a production changeover.

It defended its position as the minivan segment leader by backing its Plymouth Voyager, Dodge Caravan and Chrysler Town & Country with $32.3 million in measured media, up 56%.

Chrysler's share of the combined car and truck market in 1990 was 12.2%, a loss of 1.6 percentage points. Unit sales of 1,698,068 represented a 15.3% decline.

The company stabilized its combined car-and-truck market share in first half 1991, coming in at 12.4%, same as the prior-year period. But with industry sales slowed by the recession, Chrysler's unit sales of 767,659 in the first half of 1991 represented a 14.9% falloff from the same period a year earlier.

Chrysler in November announced a $40 million deal with Time Warner that included special single-advertiser issues of *Fortune*, *People* and *Life*, and a series of insert advertorials, all built around the theme "Rediscover America."

Chrysler bought $106 million in airtime from CBS-TV to sponsor broadcasts of the 1992 and 1994 Winter Olympics and signed on as an official sponsor of the U.S. Olympic Team.

Chairman Lee Iacocca, 66, has announced he will retire as Chrysler's chief executive the end of 1992. The leading candidates within Chrysler to succeed Mr. Iacocca are President Robert Lutz and Vice Chairman Robert Miller, but there are rumors Chrysler's board would consider outside candidates.

HEADQUARTERS

Chrysler Corp./P.O. Box 1919/Detroit, Mich. 48288-1919/Phone: (313) 956-5741.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Theodor Cunningham, exec vp-sales/mktg; John Damoose, vp-mktg; Joseph Cappy, vp-intl operations; A.C. Liebler, vp-comms; Martin Levine, gm-Dodge; Steven Torok, gm-Chrysler/Plymouth; Larry Baker, gm-Jeep/Eagle; Thomas McAlear, dir-mktg operations; James Julow, mgr-adv/media relations; Raymond Dreyfus, media exec-Chrysler/Plymouth/corp; Thomas Peyton, media exec-Jeep/Eagle; Robert Saltsman, media exec-Dodge.
Dodge car & truck: BBDO Worldwide, South-

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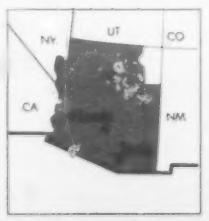

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field, Mich. William Oswald, pres-coo.

Corporate adv, Chrysler/Plymouth: Bozell, New York and Birmingham, Mich. Alan Levenstein, exec vp-strategic planning.

Jeep/Eagle: Campbell-Mithun-Esty, Southfield, Mich. Mike Vogel, pres-coo.

Minority adv: Lockhart & Pettus, New York. Keith Lockhart, pres.

Corporate merch, sales promo & training, Chrysler Credit Corp., Chrysler Fleet Operations, Chrysler Service & Parts Operation, Alfa Romeo: Ross Roy, Bloomfield Hills, Mich. Glen Fortinberry, pres-chmn-ceo, Ross Roy Group; Richard Ward, pres-RR Comms.; Michael Webster, sr vp-mgmt super, Dodge, Chrysler/Plymouth, Jeep/Eagle, dealer mktg; Donald Scheich, sr vp-mgmt super, Chrysler Credit, Services/Parts, Fleet/Lease; Rex Smith, sr vp-mgmt super, intl, training, corp progms; James Vehko, sr vp-mgmt super, Alfa Romeo; Judith Toundas, sr vp-gm, mktg supports svcs; William Abele, sr vp/exec-prod, Ross Roy Productions.

RANK: 69

Circuit City Stores

Richmond, Va.
Ad spending: $153.0 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Sunday magazine	0	9	NA
Newspaper	41,254	37,599	9.7
Spot TV	50,294	41,072	22.5
Spot radio	250	50	399.3
Measured media	91,797	78,730	16.6
Unmeasured	61,200	52,500	16.6
Total	152,997	131,230	16.6
By top brands	**1990**	**1989**	**% chg**
Circuit City stores	91,797	78,666	16.7

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	2,366	2,097	12.9
Earnings	3	78	(95.9)

CORPORATE PROFILE

The recession wasn't good to the electronics industry, particularly leading electronics specialty chain Circuit City Stores, which experienced a 6% decline in sales from comparable stores in the last half of fiscal 1991.

Circuit City's fiscal year, ended Feb. 28, 1991, saw a 3% decline in same-store sales.

The chain, with 26 stores in the L.A. area, found itself fighting for customers with newcomers Silo and The Good Guys!

Circuit City responded to the softening environment nationwide by cutting inventory and increasing marketing spending, to 6.2% of sales from 6%.

In May 1991, Circuit City took the media buying portion of its account in-house, from J. Walter Thompson USA, leaving JWT to work on creative only.

The No. 1 electronics specialty chain focused on the growth of its Superstore format, opening 34 outlets in fiscal 1991, including new markets Cincinnati and St. Louis. It plans to open 25 more Superstores in fiscal 1992.

Circuit City also is moving into malls with a new format called Impulse—small units with more select merchandise. There are now 14 such stores, up from four in 1990.

Bernie Andrews became exec-VP operations, replacing Bill Rivas who retired. Mr. Andrews, who joined the chain in October 1990, had been president-marketing at Montgomery Ward & Co.

HEADQUARTERS

Circuit City Stores/9950 Mayland Dr./Richmond, Va. 23233-1464/Phone: (804) 527-4000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE:

Circuit City stores, Circuit City Superstores: J. Walter Thompson USA, New York. Jim Heekin, gm-N.Y. office. In-house adv/media.

RANK: 90

Citicorp

New York
Ad spending: $124.9 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	9,745	19,144	(49.1)
Sunday magazine	55	0	NA
Newspaper	18,528	18,559	(0.2)
Outdoor	171	81	111.9
Network TV	8,496	20,427	(58.4)
Spot TV	39,709	30,303	31.0
Syndicated TV	0	100	NA
Cable TV networks	2,328	2,156	8.0
Spot radio	9,897	13,129	(26.1)
Measured media	88,730	103,897	(14.6)
Unmeasured	36,200	42,400	(14.6)
Total	124,930	146,297	(14.6)

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	13,920	18,553	(25.0)
Sunday magazine	834	2,008	(58.5)
Newspaper	0	216	NA
Outdoor	36	379	(90.6)
Network TV	58,040	54,480	6.5
Spot TV	32,205	29,749	8.3
Syndicated TV	12,644	11,447	10.5
Cable TV networks	10,759	9,127	17.9
Spot radio	641	2,495	(74.3)
Measured media	129,079	128,457	0.5
Unmeasured	44,300	44,100	0.5
Total	173,379	172,557	0.5
By top brands	**1990**	**1989**	**% chg**
Clorox laundry products	30,497	38,364	(20.5)

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	1,000	1,000	0.0
Sunday magazine	0	0	NA
Newspaper	0	0	NA
Outdoor	0	0	NA
Network TV	0	0	NA
Spot TV	0	0	NA
Syndicated TV	0	0	NA
Cable TV networks	0	0	NA
Spot radio	0	0	NA
Measured media	1,000	1,000	0.0
Unmeasured	0	0	NA
Total	1,000	1,000	0.0
By top brands	**1990**	**1989**	**% chg**
Citibank credit card svcs	45,456	33,823	34.4
Citibank	26,332	14,916	76.5
Citicorp	10,788	33,927	(68.2)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	14,587	13,752	6.1
Earnings	458	498	(8.0)
U.S.	**1990**	**1989**	**% chg**
Sales	9,055	8,747	3.5
Income before taxes	315	1,531	(79.4)
Division sales	**1990**	**1989**	**% chg**
Interest revenue	30,983	31,576	(1.9)
Fees, commissions, other	7,402	6,394	15.8

CORPORATE PROFILE

Citicorp Chairman John Reed has discovered that being No. 1 isn't always an asset. While Citicorp continues to be the nation's largest bank according to some positive criteria, it also leads the market in one major negative: bad loans.

In 1990, the company wrote off $1.1 billion in delinquent debt. And with no sign of improvement in its loan portfolio, the company is expected to turn in an equally bad performance in 1991.

Citicorp has begun a cost-cutting program that apparently includes ad spending. In 1990, Citicorp reduced its media budget 15%, with most cuts from national media.

However, Citicorp shifted some of those funds into local media and expanded its effort to unify advertising for regional banks and s&l's in eight states.

To point up the difference between its services and those of other banks, Citibank offered its credit card users a "price protection" guarantee, in which it reimbursed customers for the difference between the price they paid and the lowest advertised price for an identical item within 60 days of the purchase.

Citibank this month began a five-month test in Chicago of a program called "Free Gifts" that rewards frequent users of its MasterCard and Visa credit cards by awarding them points for purchases. Points can be redeemed for catalog gifts.

This June Citibank began testing a "secured" MasterCard and Visa credit card, which allows less-credit-worthy users to establish credit by paying an initial $300 into a certificate of deposit account.

The past year was a rocky one for one of Citicorp's agencies. N W Ayer lost the $10 million New York retail bank account to FCB/Leber Katz Partners but kept Citicorp's inactive corporate account and direct marketing duties for Citibank Visa.

HEADQUARTERS

Citicorp/399 Park Ave./New York, N.Y. 10043/Phone: (212) 559-1000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Mary Ann Eger, vp-dir, corp adv/mktg svcs; Steve Galasso, vp-dir, bank card comms; Jean Fitzgerald, vp-dir, customer comms-retail branch networks; Lucien Frohling, vp-dir, adv-N.Y. retail bank; Marcia Kublanow, vp-mktg resources, global finance.

Diners Club Card U.S., Citibank Nat'l Mktg Dir, Carte Blanche Card, Citicorp traveler's checks: Foote, Cone & Belding Communications, Chicago. Jim Cerasani, sr vp-grp mgmt dir.

Citibank N.Y. retail bank: FCB/Leber Katz Partners, New York. Hal Rossiter, sr vp-grp acct dir.

Diners Club, Diners Club Intl, Citibank N.Y., Citibank Personal Banking, North East Exchange, Bankcard cross-sell: FCB/LKP Integrated Communications Group, New York. Jon Adams, pres.

Citibank Visa & MasterCard, Citicorp POS: Lowe & Partners, New York. Dan O'Donnell, sr vp-mgmt super.

Citibank Visa & MasterCard direct mail: Ayer Direct, New York. Beverly Beaudoin, gm.

Citicorp Select Investments: Masterson Rothberg Advertising, New York. Joan Rothberg, chmn-ceo.

RANK: 63

Clorox Co.

Oakland, Calif.
Ad spending: $173.4 million

HOW TO GET THIS PERSONAL WITH 4 MILLION PEOPLE.

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U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Hidden Valley dressings	26,995	21,458	25.8
Liquid-plumr drain opener	14,174	5,584	153.8
Pine-Sol disinfectants	10,479	6,495	61.3
Kingsford charcoal	7,711	9,704	(20.5)
Soft Scrub cleanser	7,441	10,578	(29.7)
Formula 409 cleaner	6,090	4,884	24.7
Tilex tile cleaner	5,639	5,345	5.5
Combat insecticides	5,301	5,493	(3.5)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	1,647	1,484	10.9
Earnings	53	154	(65.7)

CORPORATE PROFILE

Clorox Co. ended its misadventure in laundry detergent in May 1991, saying it would refocus on "basic brands."

Clorox detergent with bleach, introduced in 1988 as an attempt to piggyback on the bleach franchise, fizzled as the company failed to keep up with the maneuvers of Procter & Gamble Co.

Foote, Cone & Belding, Clorox's bleach agency, took over detergent advertising from DDB Needham Worldwide, Chicago, in January 1990. But as detergent titan P&G reshaped the category with superconcentrate powders and Tide With Bleach, Clorox last year slashed detergent ad spending 70% to $2.1 million, according to LNA/Arbitron Multi-Media Service.

By early this year, Clorox's detergent market share in the 45% of the nation where the product was sold had slumped to 2.5% from a peak of nearly 6% in 1989, Prudential Securities analyst Andrew Shore estimated.

Admitting defeat, Clorox took a $78.6 million after-tax charge from its fiscal results ended June 30, 1991, to exit the field.

In new products, Clorox went national with Professional Strength Liquid-plumr in March 1990 and with Control cat litter and Clorox Clean-Up, a household liquid cleaner with bleach, in May 1991.

Clorox's most successful recent launch was the March 1990 national rollout of Take Heart salad dressing. Take Heart was backed by $11.1 million in media spending last year.

Take Heart helped boost Clorox's share of the estimated $1 billion salad dressing market to nearly 23% in mid-1991, up from 16% before the launch.

A few of Clorox's brand extensions confound analysts and observers. Its $169 Kingsford Pro Grill, introduced nationally this spring, plays off its top-selling Kingsford charcoal line, but is a curiously high-price item from a marketer of low-price package goods. Also, Hidden Valley frozen entrees entered test in early 1991 with a name associated with salad dressings. Critics say the line is out of touch with the move toward healthier frozen food.

Clorox remains largely a bleach company. Its bleach sales edged up 1.4% in the fiscal year ended June 30, 1991, to $360 million, with bleach contributing 21.9% of company sales and 35%-40% of profits, according to Mr. Shore.

Clorox faces a critical problem with Clorox 2, the dominant color-safe bleach and its No. 2 source of profits. The product is under attack from both detergents with bleach and competition from P&G's Biz and DowBrands' Vivid bleach. Mr. Shore estimated Clorox 2 unit volume dropped 5% in fiscal 1991. Clorox increased media spending on the brand 4% to $16.3 million in 1990.

HEADQUARTERS

Clorox Co./1221 Broadway/Oakland, Calif. 94612/Phone: (415) 271-7000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Will Lynn, Craig Sullivan, grp vps; Don Murray, vp-household prods; Jack Robertson, adv mgr-household prods; A.W. Biebl, vp-Kingsford prods; Larry Peiros, adv mgr-Kingsford prods; Robert Klaus, gm-foodservice prods; K.S. Koelman, dir-mktg, foodservice prods; Peter Louras, vp-intl; R.H. Bolte, dir-media svcs; David L. Goodman, vp-corp affairs; Janet Brady, dir-corp mktg svcs.

Clorox bleach, Clorox 2, Liquid Clorox 2, Clorox Pro-Wash, Clorox Clean-Up, Formula 409, Tackle, Tilex, new products: Foote, Cone & Belding, San Francisco. Kit Mill, grp mgmt super.

Hidden Valley Ranch, Take Heart, Pine-Sol, Control, Fresh Step, Litter Green, K.C. Masterpiece, Brita Water Filter system, new products: Young & Rubicam, San Francisco. Craig Branigan, exec vp-gm.

Liquid-plumr, Soft Scrub, Combat, Kingsford charcoal, Kingsford lighter fluid, Kingsford Pro Grill, 3DG Bag, Match-light: DDB Needham Worldwide, Chicago. Colby Kerr, vp-grp acct dir.

Hispanic adv: Clorox bleach, Clorox 2, Clorox Clean-Up, Formula 409, Soft Scrub, Tilex: Fublicidad Siboney, New York. Luis Nasr, exec vp-gm.

Hispanic adv: Hidden Valley Ranch, Combat, Kingsford, Liquid-plumr, Control, Fresh Step, Litter Green: Sosa, Bromley, Aguilar & Associates, San Antonio, Texas. Ernest Bromley, pres.

Hidden Valley Ranch-foodservice, Damoni Italian products-foodservice: Anderson/Rothstein, San Francisco. Kim Rothstein, exec vp.

Institutional/foodservice: Scott Advertising, Milwaukee. Charles E. Reynolds, pres.

RANK: 29

Coca-Cola Co.

Atlanta

Ad spending: $377.2 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	7,495	18,139	(58.7)
Sunday magazine	27	701	(96.2)
Newspaper	4,494	4,502	(0.2)
Outdoor	1,998	708	182.2
Network TV	88,906	98,838	(10.0)
Spot TV	75,817	67,380	12.5
Syndicated TV	34,083	18,320	86.0
Cable TV networks	2,914	4,026	(27.6)
Network radio	404	607	(33.5)
Spot radio	8,436	13,874	(39.2)
Measured media	224,573	227,093	(1.1)
Unmeasured	152,800	154,300	(1.1)
Total	377,173	381,393	(1.1)
By top brands	**1990**	**1989**	**% chg**
Coca-Cola beverages	90,441	77,140	17.2
Diet Coke beverage	69,138	60,717	13.9
Sprite beverages	23,399	23,237	0.7
Minute Maid beverage	11,942	10,712	11.5
Diet Sprite beverage	7,625	2,685	184.0
Minute Maid multi-product	6,892	0	NA
Minute Maid juices	6,042	30,876	(80.4)
Hi-C drinks	5,893	5,326	6.9

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	10,236	8,966	14.2
Earnings	1,382	1,724	(19.8)
U.S.	**1990**	**1989**	**% chg**
Sales	3,931	3,679	6.8
Operating income	440	468	(6.0)
Division sales	**1990**	**1989**	**% chg**
Soft drinks, domestic	2,461	2,222	10.8
Soft drinks, int'l	6,125	4,759	28.7
Foods	1,604	1,583	1.3

CORPORATE PROFILE

Coca-Cola Co. is gearing up to solidify its lead over Pepsi-Cola Co. in the U.S. and abroad, the latter now accounting for 61% of sales and 80% of operating income.

The world's largest soft-drink marketer is preparing its first coordinated worldwide ad campaign for 1992.

Part of that image will be shaped by Coca-Cola's new linkup with Creative Artists Agency, Hollywood's most powerful talent agency, hired in September to work with the company and its agencies to develop "global strategies for marketing, promotion, new technologies, sports, arts and entertainment."

Coca-Cola in July inked a deal with 27 of the 40 U.S. amateur sports federations that will send athletes to the 1992 Olympic Games.

The global initiative combined with the sponsorship of individual sports federations could boost Coca-Cola media spending for soft-drink brands, which has been slowly declining.

Some of Coca-Cola's biggest brands, including Coca-Cola Classic and Diet Coke, were outspent by Pepsi-Cola brands.

Diet Coke was backed with $69.1 million in media (up 13.9%) vs. $76.5 million (up 29.7%) for Diet Pepsi. Coca-Cola Classic got $67.6 million (down 4%), while flagship Pepsi pulled in $73 million

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(down 1.5%).

Case sales for Coca-Cola Classic rose 2.1%, while those of Pepsi rose 0.1%, according to John C. Maxwell Jr., analyst at Wheat, First Securities. Yet both declined in share, Classic sliding to 19.4% from 19.5% of the total market and Pepsi to 17.3% from 17.8%.

Carving away those share points were players in the faster-growing diet segment, which rose in case sales to 29.4% of the total market, up from 27.9% in 1989. Diet Coke remained segment leader by far with a 31% share, aided by a 7.5% growth in sales. Its market share, however, dipped slightly for the first time, by 0.5 percentage points.

Diet Pepsi, No. 2 in the segment, took those share points, rising from a 20.6% share in 1989 to 21% last year as sales increased 11.4%. In the overall market, Diet Pepsi holds a 6.2% share and ranks No. 4, compared with Diet Coke's 9.1% share and No. 3 ranking.

Coca-Cola's corporate soft-drink share grew to 47.6%, reversing a market share decline in 1989 to 47.5% from 47.8% in 1988.

In 1991, criticism of Coca-Cola's creative advertising heightened as management changes were announced at Coca-Cola and its flagship Coca-Cola USA division.

Ira C. Herbert, exec VP at Coca-Cola Co. and president of the North American business, said he would retire at yearend. Mr. Herbert will be replaced by M. Douglas Ivester, senior VP at Coca-Cola and president, Coca-Cola USA.

Theodore J. Host, Coca-Cola USA's senior VP-marketing, resigned Aug. 1 and will be replaced in October by Pierre Ferrari, a senior marketing executive at the Coca-Cola Foods division.

Pulling Mr. Ferrari from Coca-Cola Foods fueled speculation that Coca-Cola would try to sell off its foods division, which posted only a 1.3% sales increase in 1990.

Media advertising for Minute Maid was $24.8 million in 1990, down 40.4%; it lost share points, falling to 22.9% from 23.3% market share for orange juice.

HEADQUARTERS

Coca-Cola Co./P.O. Drawer 1734/Atlanta, Ga. 30301/Phone: (404) 676-2121.

PERSONNEL, BRANDS, AGENCIES

COCA-COLA USA: M. Douglas Ivester, pres, Coca-Cola USA/sr vp, Coca-Cola Co.; John R. Morrison, vp-mktg; Donald B. Lenehan, dir-sugar cola brands; Daniel H. Sayer, mgr-Diet Coke; Christopher J. Gagen, dir-media; Charles E. Morrison, vp, Afro-American/Hispanic programs.

Black adv: Burrell Advertising, Chicago. Tom Burrell, pres.

Hispanic adv: Sosa, Bromley, Aguilar & Assoc., San Antonio. Adolfo Aguilar, vp-acct mgmt.

Sprite, diet Sprite, Mr. Pibb, Fanta domestic, Minute Maid orange soda, Fresca, Mello Yello: Lowe & Partners, New York. Joan Overlock, exec vp-acct mgmt.

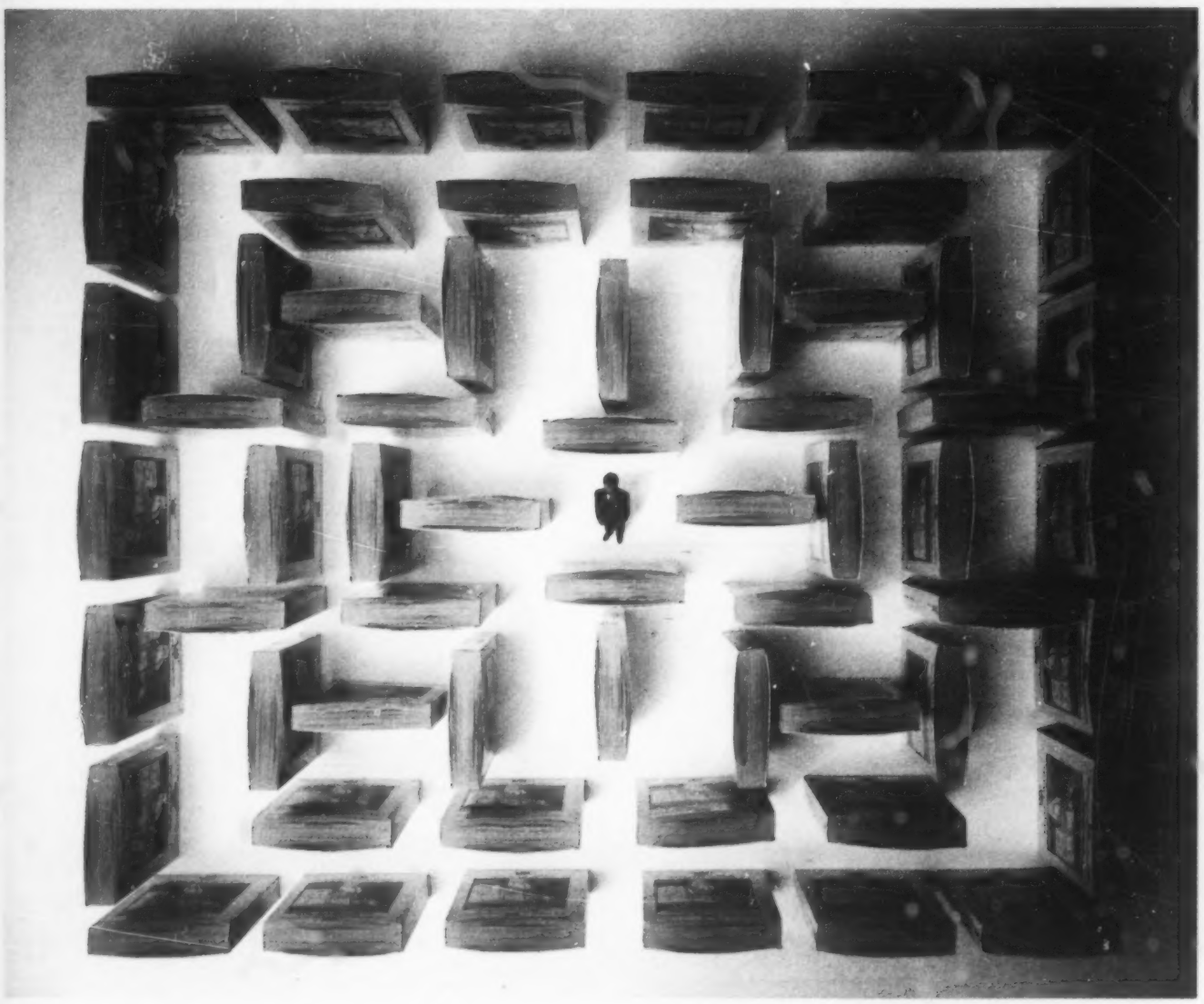
Coca-Cola Classic, caffeine-free Coca-Cola Classic, Fanta intl, cherry Coke, diet cherry Coke: McCann-Erickson Worldwide, New York. John Dooner, pres-North America.

Diet Coke, caffeine-free diet Coke: Lintas:New York. Domestic: Steve Norcia, grp exec vp. Intl: Robert Wadsworth, exec vp.

COCA-COLA FOODS: John Weslar, vp-mktg; Richard M. Helmey, sr vp-foodservice.

Minute Maid orange juice: Lowe & Partners, New York. Sammy Smith, sr vp-mgmt super.

Hi-C, Bacardi tropical fruit mixes: Lowe & Partners. Michael D'Souza, vp-mgmt super.



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THE POWER IS ON

RANK: 44

Colgate-Palmolive Co.

New York

Ad spending: **$265.0** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	6,701	9,324	(28.1)
Sunday magazine	85	179	(52.7)
Newspaper	3,064	1,411	117.2
Outdoor	1,429	2,458	(41.9)
Network TV	38,956	39,198	(0.6)
Spot TV	13,004	16,421	(20.8)
Syndicated TV	9,766	6,477	50.8
Cable TV networks	4,402	2,539	73.3
Network radio	2,651	0	NA
Spot radio	1,910	1,562	22.3
Measured media	81,967	79,568	3.0
Unmeasured	183,000	177,700	3.0
Total	264,967	257,268	3.0
By top brands:	**1990**	**1989**	**% chg**
Colgate toothpaste	41,211	36,270	13.6
Palmolive dish detergents	13,290	11,569	14.9
Irish Spring soap	7,200	6,608	9.0
Hills Science pet foods	6,003	4,775	25.7

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	5,691	5,039	12.9
Earnings	321	280	14.6
U.S.	**1990**	**1989**	**% chg**
Sales	1,899	1,828	3.9
Operating profit	209	180	16.0
Division sales	**1990**	**1989**	**% chg**
Hhld, personal care	4,968	4,413	12.6
Specialty marketing	723	625	15.6

CORPORATE PROFILE

Colgate-Palmolive Co. has succeeded in improving profitability in the U.S. despite a continued struggle to prop up its relatively weak market-share positions.

Such a trend will be hard to maintain if it can't stop share erosion and push new hit products onto the market.

Colgate scrapped its centralized ad function—headed by Clay Timon, who left as VP-director of worldwide advertising—and developed a five-year plan calling for a global approach to new products and business development and annual growth in earnings of 15%.

To further that plan, Colgate cut its workforce by 8% earlier this month and eliminated 25 plants. The company said overcapacity had developed from acquisitions in the late '80s, and from the trend toward concentrated formulas in soaps. Consolidation of production will take place in regions like Europe where goods and services will move more freely across borders in 1992, the company said.

Advertising implementation has been turned over to operating executives. So far, Colgate's two major agencies—Young & Rubicam and FCB/Leber Katz Partners—haven't felt any tremors.

This year, Colgate purchased Murphy-Phoenix Co., marketer of Murphy's Oil Soap, which has 6% of the household cleaner market. Colgate's Ajax cleanser holds a 2.5% share of that $1.2 billion market at the manufacturer level. Colgate also has 27% of the $750 million dishwashing liquid market at the manufacturer level, most held by Palmolive dishwashing liquid.

Colgate U.S. media spending has yet to regain its 1988 level. After a 27% drop in 1989 to $79.6 million, media volume rose 3% to $82 million in 1990, according to LNA/Arbitron Multi-Media Service.

The biggest slash in U.S. ad spending was applied to the Fab laundry detergent line, which fell from $8 million in 1989 to less than $1 million in '90. The company has fared poorly in the $3.8 billion detergent market, with its share dropping from more than 8% in 1990 to less than 7% this year.

Lynn Hyman, analyst with First Boston, attributed Colgate's difficulties to slowness to react to the superconcentrated detergent trend and capacity restraints. This year Colgate is repositioning Fresh Start as the "original" superconcentrate. It's also moving Fab Ultra concentrated detergent into 18% of the country.

Colgate achieved efficiencies by promoting in tandem Colgate toothpaste and Fluorigard mouthwash with $7.8 million, up from less than $1 million in 1989.

Colgate is awaiting FDA approval for an anti-plaque toothpaste. The product, Colgate Gum Protection Formula, will strengthen the Colgate brand's 26% share of the $1 billion domestic market behind Procter & Gamble Co.'s No. 1 Crest.

HEADQUARTERS

Colgate-Palmolive Co./300 Park Ave./New York, N.Y. 10022/Phone: (212) 310-2000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Reuben Mark, chmn-pres-ceo; William S. Shanahan, sr exec vp-coo, Roderick L. Turner, sr exec vp-chief of operations/specialty

mktg. Household and Personal Care: Brian F. Bergin, pres-Colgate, Europe; Lois D. Juliber, pres-Colgate, Far East/Canada; David A. Metzler, pres-Colgate, Latin America; Michael S. Roskothen, exec vp-commercial operations, Colgate-Europe; Edgar J. Field, grp vp-intl bus devel; Craig B. Tate, vp-grp head, global bus devel; Ariel Allen, vp-creative svcs; Thomas G. Davies, vp-fabric care, global bus devel; Javier Garcia Teruel, vp-body care, global bus develop; Kathleen Thornhill, vp-oral care, global bus devel; John Tietjen, vp-household surface care, global bus devel; Douglas B. Wright, vp-environmental affairs. Colgate US: Edward T. Fogarty, pres; Michael L. Hoye, exec vp; Robert E. Blanchard, vp-gm, home care div; Donald R. Kitchen, vp-gm, fabric care; Jane Parker, vp-gm, body care div; Douglas L. Meyer, vp-gm, oral care div; Christian A. Nast, vp-sales; Grace Richardson, vp-consumer affairs; Larry Wilhelm, pres-Softsoap Enterprises; Cyrill R. Siewert, pres, Colgate-Hoyt; Iam M. Cook, pres-Vipont Pharmaceutical; Greg Andrews, gm-market devel; Herney Nisimblatt, mgr-Hispanic mktg.

Colgate dental cream, Colgate Tartar Control toothpaste & mouthwash, Colgate Jr. toothpaste, Irish Spring soap, Irish Spring anti perspirant, Colgate toothbrushes, Fluorigard mouthwash, Colgate shave prep: Young & Rubicam, N.Y. Gerard Dufour, exec vp-ww acct dir; Avi Dan, sr vp-grp dir U.S.

Palmolive dishwashing liquid, Palmolive Automatic liquid for dishwashers, Dynamo detergents, Ajax dishwashing liquid, Fresh Start detergent, Palmolive soap, Ultra Brite toothpaste: FCB/Leber Katz Partners, New York. William J. McDonough, sr vp-intl acct dir; Mel Sokotch, sr vp-U.S.

Hispanic adv: Siboney Advertising, New York. Luis Nasr, gm.

HILL'S PET PRODUCTS: Robert C. Wheeler, pres-ceo; Stephen J. Fogarty, exec vp-mktg/sales; Richard F. Hawkins, pres-intl; James Humphrey, vp-vet mktg; Dr. Larry Hawk, dir-vet mktg; Ted R. Freese, dir-pet mktg; Jan Karnes, grp mktg mgr.

Prescription Diet/Science Diet: Harmon Smith Advertising, Kansas City, Mo. Scott Johnson, vp-client svcs, vet mktg.

Science Diet: Y&R/Wunderman Worldwide, Detroit. Chuck Riley, exec vp-dir client svcs.

PRINCESS HOUSE: Stephen K. Zrike, pres-ceo; William O. Porteous, vp-field sales devel; Elizabeth A. Bowes, vp-incentive mktg.

Princess House home decorative and gifts: Saabye & Co., Providence, R.I. Cathy Ottaviano, exec vp.

COLGATE-PALMOLIVE INSTITUTIONAL PRODUCTS: Kenneth E. Snyder, pres-ceo; Bernard J. Rafferty, vp-sales; Frank Drosselmeier, mktg mgr-soap/dishwashing prods; Gary Clarke, mktg mgr-cleansers/all purpose cleaners/new prods; Edward R. Gagliardi, dir-mktg.

RANK: 46

ConAgra

Omaha

Ad spending: **$246.1** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	16,303	15,786	3.3
Sunday magazine	1,109	457	142.5
Newspaper	1,722	1,292	33.3
Outdoor	6	108	(94.5)
Network TV	41,823	35,141	19.0
Spot TV	36,353	29,811	21.9
Syndicated TV	4,422	6,750	(34.5)
Cable TV networks	2,910	3,480	(16.4)
Network radio	0	973	NA
Spot radio	5,638	6,193	(9.0)
Measured media	110,286	99,991	10.3
Unmeasured	135,800	123,100	10.3
Total	246,086	223,091	10.3
By top brands	**1990**	**1989**	**% chg**
Healthy Choice frozen meals	25,934	10,227	153.6
Orville Redenbacher	18,125	14,531	24.7
Swift meats	9,302	8,137	14.3
Hunts sauces	9,222	10,792	(14.5)
Wesson oils	8,334	2,996	178.1
Peter Pan peanut butter	8,030	9,235	(13.0)
Country meats	6,805	7,847	(13.3)

SALES & EARNINGS ($ in millions)

Worldwide	1991	1990	% chg
Sales	19,506	15,501	25.8
Earnings	311	232	34.3
Division sales	**1991**	**1990**	**% chg**
Prepared foods	15,046	11,032	36.4
Agri-products	2,444	2,330	4.9
Trading & processing	1,862	1,959	(5.0)
Finance companies	154	180	(14.7)

CORPORATE PROFILE

ConAgra's acquisition of Beatrice Co. seems a very healthy choice.

With the August 1990 purchase of the three remaining Beatrice companies—Hunt-Wesson, Swift-Eckrich and Beatrice Cheese—ConAgra vaulted into the No. 2 spot among U.S. food companies, with sales of $19.5 billion for its fiscal year ended in May. Fully 77%, or $15 billion, of that total is sales of prepared foods, marking the company's growth beyond its commodity-oriented roots.

After combining the successful Swift-Eckrich with its own troubled Armour meats operation to form Armour Swift-Eckrich, ConAgra this fall will introduce Healthy Choice extra-lean ground beef. In a similar setup with Hunt-Wesson, a line of shelf-stable Healthy Choice soups and meals entered test in the fall of '90.

The major product initiative at ConAgra has clearly been the expansion of the Healthy Choice brand—foods with reduced calorie, cholesterol, fat and sodium levels.

The 2-year-old brand, whose sales hit the $329 million mark for ConAgra's fiscal year ended in May, is regarded the most successful new name in the freezer case since Stouffer Foods Corp. introduced Lean Cuisine in 1981. Healthy Choice has about an 11.3% share of the $2.9 billion market for premium frozen dinners and entrees, according to Information Resources Inc.'s InfoScan.

In the freezer case, ConAgra added to its existing Healthy Choice dinner and entree varieties and brought the brand into three new categories—frozen desserts, breakfast muffins and sandwiches, and egg substitutes. Beyond that, ConAgra is testing Snoopy's Choice frozen meals for kids, the line of shelf-stable meals and soups, and the extra-lean ground beef.

ConAgra also boosted its presence in the freezer case with Kid Cuisine dinners, a $75 million franchise that drew $4.4 million in media support during its first full year, and Ultra Slim-Fast frozen dinners, a joint venture with Thompson Medical Co.

ConAgra estimates its corporate share of the entire frozen-food market volume at 28.2%, which includes Healthy Choice, Banquet, Morton, Kid Cuisine, Patio, La Choy, Swift Premium and Chun King.

Hunt-Wesson launched Wesson canola oil, the first national competitor to Procter & Gamble Co.'s Puritan canola oil. Wesson is the largest brand in the $795.6 million market for cooking and salad oils, with a 23% share.

Orville Redenbacher's continued to lead the $428 million microwave popcorn market, which grew 5% last year. Helped by single-serve and Big Bag line extensions, Redenbacher's 40.7% share beat General Mills' Pop Secret's 29%.

Hunt-Wesson drew one-third of its sales from Hunt's tomato products. Although Hunt leads in tomato sauce, Hunt's ketchup trails Heinz 20% to 50%, and Hunt's spaghetti sauce has only 10% of the $1 billion market.

HEADQUARTERS

ConAgra Inc./One ConAgra Dr./Omaha, Neb. 68102/Phone: (402) 595-4000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: L. James Kennedy, vp-corp dir, mktg.

CONAGRA FROZEN FOODS: Chuck D. Weil, pres; Stephen Hughes, exec vp-nutritional foods; Steve Van Tassel, vp-mktg, Healthy Choice; Thomas Studer, sr vp-mktg/sales, core bus; David D. Lunghino, vp-mktg.

Healthy Choice: Campbell-Mithun-Esty, Minneapolis. Madeline Betsch, exec vp-dir, acct svcs.

Armour frozen foods, Banquet, Chun King, Kid Cuisine, Morton: D'Arcy Masius Benton & Bowles, St. Louis. Richard Spatz, sr vp-acct grp dir.

BEATRICE CHEESE CO.: Robert H. Burns, pres; Jack Hallenbeck, sr vp-mktg/sales.

County Line: William Eisner & Associates, Milwaukee. William Eisner Jr., pres.

CONAGRA DIRECT MARKETING COS.: Patrick K. Stewart, pres; Roger Waters, vp-mktg, ConAgra Pet Products Co.

Pet products: Smith, Kaplan, Allen & Reynolds, Omaha, Neb. Ronald Kaplan, sr exec vp.

HUNT-WESSON: Albert J. Crosson, pres; Edward A. Snell, vp-mktg.

Hunt's, Wesson, La Choy, Peter Pan, Manwich, Orville Redenbacher's, Rosarita: Ketchum Advertising, San Francisco. John Faville, sr vp-dir, acct svcs.

ARMOUR SWIFT-ECKRICH: John D. Likovich, pres-Armour; Marty Butler, dir-mktg, Armour; Thomas E. Howe, pres-Butterball; Gregg A. Ostrander, pres-Swift Eckrich Prepared Foods; Randy Irion, dir-mktg svcs/research, Swift-Eckrich; Sharon McLenahan, grp mktg mgr-Eckrich; Patrick Riley, dir-mktg, Swift; D. Hull, dir-mktg, Butterball.

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Swift, Eshrick, Butterball: Grey Advertising, New York. C. Jeffrey Stein, exec vp.

Armour: Puskar Gibbon Chapin, Dallas. Jim Gibbon, principal.

CONAGRA POULTRY CO.: George R. Haefner, pres-coo; Larry Hogrefe, vp-dir, mktg.

Country Pride: DDB Needham Worldwide, Chicago. Jack Copher, sr vp-grp acct dir.

GOLDEN VALLEY/LAND-O-SUNSHINE: James D. Watkins, pres-coo.

Golden Valley: Martin Williams, Minneapolis. Tom Weyl, pres.

RANK: 53

Adolph Coors Co.

Golden, Colo.

Ad spending: **$194.6** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	3,861	3,455	11.7
Sunday magazine	148	324	(54.3)
Newspaper	441	1,455	(69.7)
Outdoor	3,048	3,778	(19.3)
Network TV	37,305	42,893	(13.0)
Spot TV	53,687	48,621	10.4
Syndicated TV	14,581	10,957	33.1
Cable TV networks	2,823	3,513	(19.6)
Spot radio	6,719	12,288	(45.3)
Measured media	122,612	127,284	(3.7)
Unmeasured	72,000	74,800	(3.7)
Total	194,612	202,084	(3.7)
By top brands	**1990**	**1989**	**% chg**
Coors beers	104,463	111,181	(6.0)
Keystone beer	11,841	7,379	60.5

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	1,863	1,764	5.6
Earnings	39	13	196.2
Division sales	**1990**	**1989**	**% chg**
Beer business	1,477	1,366	8.1
Ceramics business	182	167	9.0
Aluminum business	138	167	(17.4)
Packaging business	156	137	13.9
Other	104	104	0.2

CORPORATE PROFILE

Adolph Coors Co., the nation's No. 3 brewer, saw its 9.2% volume gain top the industry in 1990, though such growth has caused capacity problems in its brewing operations. Total volume hit 19.2 million barrels.

Coors Light, which gained 12.4% in volume to nearly 6% of national volume, is now the country's No. 3 beer and may have passed rival Bud Light, with which it was tied for third.

Coors entered the popular-price segment, introducing Keystone, Keystone Light and Keystone Dry with amazing success. But the flagship Coors brand was off 16.5%; Coors Extra Gold also slid.

A new non-alcohol product called Cutter will be rolled out nationally late this month.

Perhaps Coors' biggest advertising move with its existing brands was to cut in half support for Extra Gold (from $22 million) and concentrate its support of the brand in high-volume regions. At the same time, Coors raised support for Coors Light 30% to $68 million in measured media.

Coors made two ad campaign changes as a result of complaints. Coors agreed to stop using the phrase, "It won't slow you down," in Coors Light ads after the Bureau of Alcohol, Tobacco & Firearms got a complaint from a doctor suggesting the line implied beer had no effect on reflexes. The brand switches to "The right beer now" Oct. 1.

Coors also modified its "Brewed from Rocky Mountain spring waters" claim after Anheuser-Busch complained that water from other areas was added in the manufacturing process.

Coors won one battle on the ad front last May, when a judge turned down Eveready Battery Co.'s request that Coors Light's parody of its Energizer bunny campaign be halted.

HEADQUARTERS

Adolph Coors Co./311 10th St./Golden, Colo. 80401/Phone: (303) 279-6565.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Bob Rechholtz, exec vp-mktg; Robert Klugman, vp-brand mktg; Michael Marranzino, vp-devel/intl; Richard E. Franklin, vp-field mktg; Bob McBride, brand dir-Coors Light; Craig Guthrie, brand dir-Keystone/Keystone Light/Keystone Dry; Mark Stankovic, dir-intl mktg; Gary Skovsted, brand mgr-Coors Extra Gold; George Mansfield, mgr-intl/Killian's; Steve Ritter, brand dir-Coors brand; Jon Runge brand mgr-Coors Dry; Karen Thys, brand mgr-Cutter; Dan Bedway, brand mgr-Moussy; Mark Reiss, dir-media/field events.

Coors Light, Coors Extra Gold, Keystone brands, Killian's Red, Rocky Mountain Spring Waters: Foote, Cone & Belding, Chicago. Dan Fox, exec vp-grp acct dir.

Coors brand, Coors Dry, Hispanic mktg: GSD&M, Austin, Texas. Chuck Grady, sr vp-acct dir; Robert Miller, vp-acct dir, Coors Light Hispanic/community relations.

Corporate, community relations/women: Evans/Denver. Charles Bartholomew, chmn-acct super.

Black markets: Uniworld Group, New York. Mark Robinson, vp-grp adv dir.

Cutter: Tatham/RSCG, Chicago. Robert Hielscher, mg partner.

RANK: 80

CPC International

Englewood Cliffs, N.J.

Ad spending: **$137.0** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	3,490	11,387	(69.4)
Sunday magazine	0	179	NA
Newspaper	72	39	84.2
Outdoor	58	57	0.7
Network TV	26,283	30,168	(12.9)
Spot TV	18,209	15,828	15.0
Cable TV networks	1,733	2,848	(39.2)
Spot radio	387	264	46.7

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U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Measured media	50,231	60,770	(17.3)
Unmeasured	86,800	105,000	(17.3)
Total	137,031	165,770	(17.3)
Top brands	1990	1989	% chg
Mazola mayonnaise	15,393	19,536	(21.2)
Mazola Bakery products	8,607	8,459	1.7
Skippy peanut butter	8,415	13,105	(35.8)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	5,781	5,103	13.3
Earnings	374	328	14.0
U.S.	1990	1989	% chg
Sales	2,322	2,260	2.7
Operating income	366	294	24.5
Division sales	1990	1989	% chg
Consumer foods	4,695	4,049	16.0
Corn refining	1,087	1,054	3.1

CORPORATE PROFILE

CPC International endured the recession, aggressive government regulators and the death of a top executive in 1990 to come out with a 14% gro in profits worldwide, although U.S. s grew a more narrow 2%.

In the U.S., "1991 will not be a bed of ses for [CPC's] Best Foods [Division]. e U.S. recession has severely impacted volumes," said Chairman-CEO Charles Shoemate.

The company dominates the $867 million U.S. mayonnaise and sandwich ads market, with a total 35.9% share, according to Information Resources Inc.'s InfoScan service.

The company has promised to build ola's position as the leading "health Mazola is the No. 3 brand in the $795.6 million cooking and salad oil category, IRI says. It has 2.5% of the $1.4 billion margarine and table spreads category.

But the "health" positioning proved to be an increasingly troublesome one. The FDA pressed for labeling changes for t Foods Cholesterol Free Reduced orie mayonnaise, and also homed in on "light" and cholesterol-reduced claims for margarines and corn oils. Earlier, under pressure fro the FTC and state attorneys general, C C discontinued claims that Mazola helped reduce sterol levels.

CPC became a hero of the food industry when it stood up to a false-advertising lawsuit aimed at Mazola ads and their cholesterol claims. The suit was tied to the Racketeer Influenced & Corrupt Organizations Act. A federal judge refused to grant the suit class-action status, and the move helped shatter the RICO threat for national advertisers.

In bread spreads, an improved, creamier Skippy peanut butter was launched in 1990, as well as Roasted Honey Nut Skippy. Skippy is No. 2 in the $848 million peanut butter market, IRI says.

In some cases, brakes were applied to advertising in 1990, and the "health" brands weren't always spared. Mazola corn oil and margarine garnered only $70,000 in measured media, plummeting from nearly $ million in 1989, according to LNA/Arbitron.

Hellmann's Light, with $8 million in 1989, wasn't advertised in 1990, but Hellmann's Cholesterol Free mayonnaise was up 5.5% to $4.9 million, as the main Hellmann's brand more than doubled to $9 million.

On Sept. 11, 1990, CPC Chairman James R. Eiszner lost his battle with cancer. The 63-year-old executive had been with CPC for 27 years.

HEADQUARTERS

CPC International/International Plaza/Englewood Cliffs, N.J. 07632/Phone: (201) 894-4000.

PERSONNEL, BRANDS, AGENCIES

BEST FOODS DIV: Jan A. van Amerongen, vp-mktg svcs; Stanley M. Hakmiller, vp-; Joan S. Dargery, vp-new bus devel; Malcolm Fletcher, vp-mktg; Robert T. Viscardi, media dir.

Hellmann's/Best Foods mayonnaise, Skippy peanut , Mueller's Super Skipos dry pasta products, se- new products, network TV media buying: BBDO Worldwide, New York. Anthony R. Brescia, sr vp-acct dir.

Thomas' English muffins, Karo syrup, Mazola products, new products, spot TV buying: Backer Spielvo- Bates Worldwide, New York. Alan Kellam, sr super.

Regents adv-Mazola corn oil: Bravo Group, New York. Daisy Esposito, pres-chief creative officer.

Mazola corn oil-medical profession promo: Medicus Intercon, New York.

Niagara spray starch, new products: Campbell-Mithun-Esty, New York. Charlie Lehman, mgmt super.

Regents adv-Hellmann's/Best Foods mayonnaise: Advertising, New York. Sue Bittencourt,

Arnold Bakery light line, Arnold Brothers brand, Boudinot brands: Rotando Lorch & Iafelice, Stamford, Conn.

CPC FOOD SERVICE: Robert J. Nemec, vp-mktg/

SPECIAL PRODUCTS: Lucy Fleming, mktg

Knorr soups, Knorr sauces, Knorr liquid sauces, Knorr bouillons: Warwick Baker & Fiore, New , Andy Mochler, vp-mgmt super.

FOODS SALES GROUP: Donald Berman, vp- gmt.

RANK: 92

Daimler-Benz AG

Stuttgart, Germany
Ad spending: $124.6 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	18,293	17,598	3.9
Sunday magazine	541	115	372.1
Newspaper	21,616	21,415	0.9
Outdoor	163	0	NA
Network TV	30,536	23,573	29.5
Spot TV	12,280	14,301	(14.1)
Cable TV networks	1,655	1,513	9.4
Spot radio	7,284	7,129	2.2
Measured media	92,367	85,643	7.9
Unmeasured	32,200	29,900	7.7
Total	124,567	115,543	7.8
By top brands	1990	1989	% chg
Mercedes-Benz cars	88,334	76,816	15.0

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	NA	40,705	NA
Earnings	NA	3,628	NA

CORPORATE PROFILE

Performance, and particularly safety features, continued to gain emphasis over style and image as the main themes in Daimler-Benz's marketing efforts supporting Mercedes.

That tack allows Mercedes to stress its "heritage" (of safety engineering) to combat the vigorous competition emerging from the Japanese.

Daimler, which increased its U.S. ad spending by 7.9%, was successful in reversing a four-year decline in Mercedes unit sales in 1990.

Unit sales in the U.S., Mercedes' largest export market, were up 3.5% to 78,375, as market share remained 0.8%.

However, midyear 1991 sales, show considerable erosion, to 33,177, down 22.1% from a year earlier.

The recession is hurting the company's efforts to regain ground, as is a new luxury tax that adds significantly to the price tags of its upper-bracket models.

Mercedes is pinning some of its hopes for a turnaround on a redesigned S Class car, set for introduction to the U.S. next month. In 1990, unit sales for the $50,000-and-up models were 25,627.

Mercedes-Benz of North America underwent a restructuring in 1990, consolidating its seven market zones into four.

HEADQUARTERS

Daimler-Benz AG/BPA/Postfach 80 02 30/D-7000 Stuttgart 80/Germany.

Mercedes-Benz of North America Inc./1 Mercedes Dr./Montvale N.J. 07645-0350/Phone: (201) 573-0600.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Mike Jackson, sr vp-mktg/sales; Albert Weiss, gm-mktg comms; Kenneth Moriarty, gm-strategic mktg/prod mgmt; Kevin Davidson, mgr-adv.

Mercedes-Benz: McCaffery & McCall, New York. Will Metzger, acct dir.

RANK: 35

Dayton Hudson Corp.

Minneapolis
Ad spending: $318.7 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	2,586	1,998	29.4
Sunday magazine	3,555	4,448	(20.1)
Newspaper	106,158	107,485	(1.2)
Outdoor	88	191	(53.9)
Network TV	291	114	155.3
Spot TV	48,957	44,198	10.8
Cable TV networks	55	0	NA
Spot radio	5,994	7,911	(24.2)
Measured media	167,685	166,345	0.8
Unmeasured	151,000	149,800	0.8
Total	318,685	316,145	0.8
By top brands	1990	1989	% chg
Mervyns general	21,484	26,884	(20.1)
Mervyns apparel	20,241	13,673	48.0
Marshall Field general	10,877	10,780	0.9
Target apparel	8,706	8,034	8.4
Hudson apparel	7,772	7,172	8.4
Marshall Field apparel	7,584	10,098	(23.9)
Target household	7,649	7,598	0.7
Target sport, toy, hobby	7,547	6,681	13.0
Hudson general	7,252	6,959	4.2

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	14,739	13,644	8.0
Earnings	410	410	0.0
Division sales	1990	1989	% chg
Target	8,175	7,519	8.7
Mervyn's	4,055	3,858	5.1
Department stores	2,509	1,801	39.3

CORPORATE PROFILE

Dayton Hudson Corp.'s discount- and moderate-price department store business propped up the retailer's financial returns in 1990.

Discount retailers Target and Mervyn's each recorded 4% growth in comparable-store sales, down slightly from the rates a year earlier.

Overall revenue growth of 8% was masked by the partial-year inclusion of Marshall Field's stores, purchased in April 1990. Comparable store revenues actually rose only 3% for all Dayton Hudson stores.

Within the department store division, Field's pushed up sales 41%; same-store sales were flat.

The company's strongest performer remains Target, with 420 discount stores. Target is Dayton Hudson's largest advertiser at $57 million, up 18.7%.

In 1990, Target diverted from its chainwide promotions to concentrate on region-by-region advertising. It launched in Minneapolis last year Target Greatland superstore. The launch was followed by an aggressive media campaign with the theme "Sometimes you need a bigger target."

Mervyn's, a moderate-price department store chain of 420 stores, recently started upgrading its private label stock, which accounts for 50% of sales.

Each Dayton Hudson store division handles production and placement of advertising through its own in-house agency.

Hudson's outspent Dayton's with $21.8 million in media, same as in 1989, to Dayton's $12.7 million, up 21%. Field's pared its advertising 14.7% to $27.9 million.

HEADQUARTERS

Dayton Hudson Corp./777 Nicollet Mall/Minneapolis, Minn. 55402/Phone: (612) 370-6948.

PERSONNEL, BRANDS, AGENCIES

DAYTON HUDSON DEPARTMENT STORE CO.: Stewart Widdess, sr vp-mtkg; Paul Karmann, dir-media planning; Jack Mugan, dir-creative svcs; Karen Bohnhoff, vp-trend merch/special events.

Dayton's, Hudson's, Marshall Field & Co.: Pidgin Productions, Minneapolis. Gary Jensen, pres.

Corporate media buying: Haworth Group, Minneapolis. Dale Haworth, pres.

MERVYN'S: Susan Sprunk, vp-sales promo; Pat Holt, dir-adv; Ruth Lindley, dir-consumer research/media; Brad Davis, dir-operations/bus planning.

Cohen & Johnson, Los Angeles. Howie Cohen, chmn-creative dir; Mark Johnson, pres.

TARGET STORES: John Pellegrene, sr vp-mktg; Robert Thacker, vp-mktg.

Chuck Ruhr Advertising, Minneapolis. Chuck Ruhr, pres.

RANK: 89

Delta Air Lines

Atlanta
Ad spending: $126.5 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	7,338	3,125	134.8
Sunday magazine	349	12	2,908.0
Newspaper	32,898	28,471	15.5
Outdoor	1,834	1,659	10.5
Network TV	29,510	29,295	0.7
Spot TV	10,068	4,126	144.0
Syndicated TV	45	17	172.7
Cable TV networks	1,848	[illegible]	(6.4)
Spot radio	10,988	[illegible]	(39.9)
Measured media	94,878	86,959	9.1
Unmeasured	31,600	29,000	9.0
Total	126,478	115,959	9.1
By top brands	1990	1989	% chg
Delta Air Lines	94,777	79,008	20.0

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	NA	[illegible]	NA
Earnings	NA	[illegible]	NA
Division sales	1990	1989	% chg
Passenger	NA	[illegible]2	NA
Cargo	NA	[illegible]6	NA
Other	NA	124	NA

CORPORATE PROFILE

Delta Air Lines, poised to become a major international carrier after its acquisition of Pan American Airways' international routes, is priming to take over the market share lead in the volatile airline business.

The purchase includes Pan Am's North Atlantic routes, Frankfurt hub and Pan Am Shuttle. Department of Transportation approval is expected this fall. The carrier is planning hefty ad spending to achieve a global positioning.

Among the nation's top 13 carriers, Delta has shown the greatest share growth for the first seven months of 1991—even without the benefit of the Pan Am deal, according to figures from PaineWebber. Delta had a 15.2% share this year through July, compared with 13.2% in the same period last year.

In March, Delta began a Business Saver fare program that offered 20% discounts for flights booked three days in advance. By fall, however, Delta and other carriers had returned to the seven-day advance purchase requirement.

HEADQUARTERS

Delta Air Lines/Hartsfield Intl. Airport/Atlanta, Ga. 30320/Phone: (404) 765-2600.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Al H. Kolakowski, sr vp-mktg; R.W. (Bob) Coggin, vp-mktg devel; Russ Gariota, vp-sales; Harold Achtziger, vp-intl; Marcey McCann, vp-reservations sales; Judy Jordan, asst vp-adv/sales promo; Matt Guilfoyle, dir-consumer mktg; Harry Dunham, dir-industry mktg; Skip Barnett, dir-field mktg; Sandy Rowan, mgr-adv; Don Nabity, staff mgr-adv/promo; Kathy Field, mgr-intl adv; Jon Proctor, system mgr-promo.

Delta Air Lines: BBDO Worldwide, Atlanta. Jack Walz, exec vp-worldwide acct dir.

Delta Shuttle: Della Femina, McNamee, New York. Ann Milne, mgmt super.

RANK: 23

Walt Disney Co.

Burbank, Calif.
Ad spending: $43[illegible] million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	17,752	22,654	(21.6)
Sunday magazine	613	16	3,805.1
Newspaper	36,726	24,626	49.1
Outdoor	688	220	212.4
Network TV	62,919	43,239	45.5
Spot TV	86,240	66,780	29.1
Syndicated TV	14,595	9,144	59.6
Cable TV networks	4,211	3,043	38.3
Network radio	1,057	275	285.1
Spot radio	4,433	8,035	(44.8)
Measured media	229,233	178,033	28.8
Unmeasured	206,500	160,400	28.7
Total	435,733	338,433	28.7
By top brands	1990	1989	% chg
Touchstone Films	80,060	58,839	36.1
Walt Disney World resort	45,740	47,546	(3.8)
Walt Disney movies	25,374	18,448	37.5
Hollywood Pictures	20,744	0	NA
Disneyland amusement park	18,648	14,816	25.9
Walt Disney home video	14,273	6,050	135.9
Touchstone home video	5,874	7,053	(16.7)
Disney Channel cable TV	5,296	5,020	5.5

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	5,844	4,594	27.2
Earnings	824	703	17.2
Division sales	1990	1989	% chg
Theme parks, resorts	3,020	2,595	16.4
Filmed entertainment	2,250	1,588	41.7
Consumer products	574	411	39.6

CORPORATE PROFILE

Walt Disney Co.'s self-proclaimed "Disney Decade" is getting off to a rocky start, with earnings for the first three quarters of fiscal 1991 down 22% due to the recession's effect on theme park attendance and several box-office flops. Fiscal '91 ends Sept. 30.

Operating income for Disney's theme parks and resorts declined 31% during the period, despite the opening of a new attraction, Disney-MGM Studios' "Kermit the Frog Presents: Muppetvision 3-D."

After winning the box-office market share derby in 1990, Disney dropped to third place through Labor Day 1991, with a string of flops that included "One Good Cop," "Run," "The Marrying Man," and "V.I. Warshawski."

Walt Disney Studios Chairman Jeffrey Katzenberg in January sent a 28-page internal memo to Disney executives, which was widely circulated in Hollywood, eschewing high-price blockbusters and calling for low-key, well-thought-out marketing plans.

His resolve was surely strengthened by the box-office failure of Disney's "The Rocketeer." The film cost $35 million to produce and $15 million to market but made only $45 million at theaters.

Disney grabbed its 16% market share in 1990 by increasing media spending 53.2% to $130 million.

Disney hopes to ensure exposure for its fall 1991 films with an unusual "Ticket to Entertainment" promotion linking four of its films to Coca-Cola Co.'s soft drinks.

Burger King Corp. replaced McDonald's Corp. as a fast-food promotional partner this year on promotions tied to its holiday film, "Beauty and the Beast," and the 20th anniversary of Walt Disney World.

Home video has been a bright spot for Disney, with the videocassette release of "The Little Mermaid" selling more than 8 million copies. Media spending behind the company's Buena Vista Home Video rose 54.5% to $20.2 million and will increase more than fivefold this year.

Disney, under its consumer products division, established a general-interest book publishing unit. This summer Disney acquired Discover magazine from Family Media.

HEADQUARTERS

Walt Disney Co./500 S. Buena Vista St./Burbank, Calif. 91521/Phone: (818) 560-1000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE:

Media buying: Buena Vista Pictures Marketing, Buena Vista Television, Buena Vista Home Video, Walt Disney Attractions, The Disney Channel: Western International Media, Los Angeles. Dennis Holt, pres.

BUENA VISTA PICTURES (feature film): Bob Levin, pres-worldwide mktg; Robert Jahn, sr vp-creative svcs; Bobbi Blair, sr vp-media.

BUENA VISTA TELEVISION: Carole Black, sr vp-mktg; Rick Haskins, vp-mktg.

BUENA VISTA HOME VIDEO: Ann Daly, sr vp-mktg.

DDB Needham Worldwide, Chicago. Vicki Mondae, grp acct dir.

THE DISNEY CHANNEL: Tom Wszalek, sr vp-consumer mktg.

Rubin Postaer & Associates, Los Angeles. Tom Kirk, sr vp-grp acct dir.

DISNEY CONSUMER PRODUCTS: Barton K. Boyd, pres; Charles P. Wickham, grp vp-Disney Publishing; John Skipper, vp-magazine publishing.

Jankiow Bender, New York. Maggie Trujillo, acct exec.

WALT DISNEY ATTRACTIONS: Tom Elrod, sr vp-mktg.

RANK: 76

Dow Chemical Co.

Midland, Mich.
Ad spending: $141.9 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	20,443	19,459	5.1
Sunday magazine	6,975	3,994	74.6
Newspaper	284	112	164.8
Outdoor	42	41	1.7
Network TV	64,644	75,486	(14.3)
Spot TV	1,706	7,773	(65.2)
Syndicated TV	2,260	6,187	(63.5)
Cable TV networks	6,630	7,925	(16.3)
Network radio	586	2,619	(78.4)
Spot radio	1,053	1,524	(30.9)
Measured media	105,604	125,100	(15.6)
Unmeasured	36,300	43,000	(15.6)
Total	141,904	168,100	(15.6)
By top brands	1990	1989	% chg
Ziploc food storage bags	15,668	18,887	(17.0)
Dow Chemical Co.	14,112	9,989	41.3
Texize cleaning products	11,861	12,502	(5.1)
Seldane allergy medication	11,053	0	NA
Spiffits cleansing towels	9,513	19,272	(50.6)
Nicoretta nicotine gum	9,507	155	6,049.2
Freezioc wrap	6,789	5,682	19.9
Fantastik cleaner	6,722	1,842	264.9
Perma Soft haircare pdts.	5,767	5,104	13.0

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	19,773	17,600	12.3
Earnings	1,378	2,486	(44.6)
U.S.	1990	1989	% chg
Sales	9,494	8,084	17.4
Operating income	1,622	1,876	(13.5)
Division sales	1990	1989	% chg
Chemicals, performance products	5,088	5,407	(5.9)
Plastics	7,392	6,994	5.7
Hydrocarbons	2,210	1,778	24.3
Consumer specialties	5,053	3,407	48.3

CORPORATE PROFILE

Dow Chemical Co. kept expanding into consumer markets in 1990, evidenced by the growth in its consumer specialties division. The operations of Dow's two joint ventures formed in 1989—pharmaceutical arm Marion Merrell Dow and agrichemical unit DowElanco—are almost completely consolidated with the consumer division.

The remaining expanded consumer specialties division—agricultural products, pharmaceuticals and DowBrands consumer products—jumped 50% in sales. The division is largely the reason Dow Chemical turned in a 12% growth in sales.

Dow had forecast a decline in profits for 1990 from the all-time record highs of 1988 and 1989 but hadn't expected the magnitude of the downturn, according to President Frank P. Popoff.

Dow expects growth in the specialized products to offset the continued decline in other areas of its business, largely basic chemicals.

Saddled with heavy debt and big capital expenditure plans in 1990, Dow Chemical cut its advertising media expenditures 15.6%.

The biggest budget cuts took place at DowBrands, the consumer product segment of the consumer specialties division, where sales dropped 3.3% to $934 million. Ad spending for Spiffits cleaning towels, launched in 1989, was cut by 50.6%.

Some of the money may have gone to Fantastik's multipurpose towel rolled out in with $4.9 million in support.

Media advertising declined 17% for Ziploc food storage bags.

BEST COPY AVAILABLE

From the newly merged pharmaceutical side, brand advertising of Seldane non-sedating allergy medication first appeared in consumer media in 1990.

Nicorette nicotine gum, another prescription drug, drew $9.5 million in media advertising in 1990, compared with virtually no advertising by name the previous year.

In July 1991, DowBrands dropped Della Femina, McNamee and consolidated accounts for both foodcare and cleaning products at Campbell-Mithun-Esty.

HEADQUARTERS

Dow Chemical Co./2030 Willard H. Dow Center/Midland, Mich. 48674/Phone: (517) 636-1000.

PERSONNEL, BRANDS, AGENCIES

DOW CHEMICAL USA: William S. Stavropoulos, pres; Thomas K. Smith, vp-govt/public affairs; Robert W. Charlton, dir-corp comms; Richard F. Dalton, mgr-corp adv.

D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. H.J. Hogan, sr vp-mgmt super.

CHEMICALS & PERFORMANCE PRODUCTS: John W. Tysse, vp-sales/mktg.

Chemicals & metals: Hoffman, York & Compton, Milwaukee. John Murphy, sr vp-acct grp super.

Public relations: chemicals & metals, performance products, latex products: Gibbs & Soell, New York. Cos Mallozzi, pres.

Latex products: Weller, Cook & Misamore Advertising, Grand Rapids, Mich. Robert Cook, vp.

Performance products, separation systems, new ventures: Alexander Marketing Services, Grand Rapids Mich. Robert Milroy, pres-acct grp super.

DOW PLASTICS: Richard E. Sosville, vp-sales/mktg.

Dow Plastics products: Anderson & Lembke, Stamford, Conn. Mike Romans, vp-client bus mgr. Alexander Marketing Services, Grand Rapids, Mich. Robert Milroy, pres. Jayme Organization, Cleveland. Mike Paulus, acct exec.

Dow Plastics products & public relations adv: Sefton Associates, Grand Rapids, Mich. Gary Petertyl, sr vp.

Public relations adv: Gibbs & S[illegible], Chicago. Cos Mallozzi, pres. Proconsul, Cleveland. Judy Venninger, acct. exec.

DOW BRANDS: Household Prods Div.: Lee Schobe, pres-ceo; Jim Bernhardt, vp-mktg; Ann Bastianelli, dir-adv.

Foodcare products: Campbell-Mithun-Esty, Minneapolis. Richard Rosengren, sr vp-mgmt super.

Cleaning products: Henderson Advertising, Greenville, S.C. Mark Klein, vp-mgmt super.

Personal care products: Campbell-Mithun-Esty, Minneapolis. Richard Rosengren, sr vp-mgmt super.

MARION MERRELL DOW-Consumer Products Div.: George Quesnelle, dir-mktg; Gregory Westerbeck, adv dir.

Capozol, Citrucel, Gaviscon, Benhistine: Rubin, Reed, Noto & Ehrenthal, New York. Herb Ehrenthal, acct super.

DOW ELANCO AGRICULTURAL PRODUCTS: Frank Moore, mgr-mktg comms; E.N. German, mgr-mktg sales support; Bill Culpepper, commercial dir.

Dursban, Curtail, Tordon, professional pest control, vegetation management, retail turf, ornamental business: Bader Rutter & Associates, Milwaukee. Miller Hogan, vp-acct super.

Lorsban, Treflan, Sonalan, N-Serve, Stinger (corn), Lontrel, Tordon, Crisil, Surflan, Telone, Fearless, Rubigan: Creswell, Munsell, Fultz & Zirbel, Cedar Rapids, Iowa. M. White, sr vp-mgmt super.

Professional turf & ornamental business: Carmichael Lynch, Kansas City, Mo. Jeff Morris, acct exec.

PRESCRIPTION PRODUCTS DIV: John R. Julian, vp-mktg.

RANK: 11

Eastman Kodak Co.

Rochester, N.Y.
Ad spending: **$664.8** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	44,307	45,685	(3.0)
Sunday magazine	4,627	3,916	18.1
Newspaper	739	1,059	(30.2)
Outdoor	1,825	429	325.4
Network TV	116,523	137,517	(15.3)
Spot TV	13,364	14,734	(9.3)
Syndicated TV	21,651	13,700	58.0
Cable TV networks	12,589	10,642	18.3
Network radio	1,320	6,798	(80.6)
Spot radio	1,253	1,499	(16.4)
Measured media	218,197	235,978	(7.5)
Unmeasured	446,600	483,000	(7.5)
Total	664,797	718,978	(7.5)
By top brands	**1990**	**1989**	**% chg**
Kodak cameras & accessories	70,345	72,324	(2.7)
Bayer aspirin	17,325	25,180	(31.2)
Lysol disinfectants	15,655	18,788	(16.7)
Lysol bathroom cleaners	15,434	8,751	76.4
Thompson coatings	11,264	11,279	(0.1)
Phillips Milk of Magnesia	7,042	6,492	8.5
Lysol cleaners	6,899	6,099	13.1
Corporate spending	5,734	4,904	16.9
Minwax wood finishes	5,197	5,747	(9.6)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	18,9[illegible]	18,398	2.8
Earnings	70[illegible]	529	32.9
U.S.	**1990**	**1989**	**% chg**
Sales	20,229	10,869	86.1
Operating earnings	NA	785	NA
Division sales	**1990**	**1989**	**% chg**
Imaging	7,128	6,998	1.9
Chemicals	3,588	3,522	1.9
Health	4,349	4,009	8.5
Information systems	4,140	4,200	(1.4)

CORPORATE PROFILE

Eastman Kodak Co. continues to make major cuts in its work force as it streamlines operations.

The latest round of cuts, a reported 3,000 this August, follows cuts of 11,000 in 1983, 13,000 in 1986 and 5,000 in 1989— and will take place companywide.

Tighter cost controls helped increase net income 32.9%, despite a charge of $888 million—the amount of a court settlement awarded Polaroid Corp. after winning an instant photography patent infringement suit against Kodak.

As expected, Kodak's 1990 marketing budget proved vulnerable to the changes. Kodak carved 7.5% from ad spending.

Batteries took a big hit, dropping to $2 million in media from $15 million.

Ad spending was slashed 31% on Bayer aspirin, matching similar spending cuts by most aspirin marketers. Bayer Plus was introduced with $4.7 million in media.

Spending on Kodak's biggest ad-supported categories—film and film processing—remained steady with some $60 million in combined measured media.

The launch of Photo CD last fall and its pending global introduction in mid-1992 is considered a crucial move for Kodak, which has been criticized for its lack of new photographic technology.

Photo CD is a film/electronic imaging photographic system that allows TV viewing of still photos through the transfer of 35mm negatives onto compact discs.

Sterling Drug in [illegible]91 formed a joint venture with French [illegible] maker Sanofi to share research and marketing resources for pharmaceutical and consumer healthcare products.

In an agency realignment, Kodak and Sterling consolidated this June more than $100 million in TV media buying assignments at Lintas:USA. The account involves TV buying for all major brands. The move stripped J. Walter Thompson USA of about $50 million; Lintas already had the rest.

Ironically, Lintas:New York in April resigned the Bayer account citing "strategic differences." Sources said it opposed Sterling's intent to extend the Bayer name into ibuprofen or acetaminophen-based products. Bayer, with about $200 million in sales in 1990, is fourth at about a 6% share of the $2.7 billion analgesic market.

Bayer, along with Panadol, was reassigned to N W Ayer in July. Lintas won Midol, which was at Warwick Baker & Fiore, and Vanquish, which had been unassigned.

HEADQUARTERS

Eastman Kodak Co./342 State St./Rochester, N.Y. 14650/Phone: (716) 724-4000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Richard Bartlett, vp-dir, mktg comms.

Amateur films, photofinishing: J. Walter Thompson USA, New York. Rodger Groves, mgmt dir.

Business, industrial: J. Walter Thompson, New York. Doug Foster, sr vp-acct dir.

Cameras: Young & Rubicam, New York. Harry Rosenberg, acct dir.

Professional photography div, motion picture-TV div, electronic photography, consumer products-sales promo, film-trade adv, camera-trade adv, photofinishing-trade adv, batteries-trade adv: Rumrill-Hoyt, Rochester, N.Y. William Stein, sr vp-dir, client svcs.

Hispanic & black adv-film: UniWorld Group, New York. Idalia Romero-Boddie, vp-grp acct dir.

Health div, clinical products: Deltakos, New York. Rosemarie Azzaro, acct exec.

STERLING DRUG INC.: Hilary Hinchman, dir-adv svcs.

GLENBROOK LABORATORIES: Dave Mahder, vp-mktg; Larry Koslow, category dir-analgesics; Lisa Rubin, category dir-GI & C/C; Susan Danehower, dir-new prods; Gerard Mattimore, dir-mktg svcs; Ginger Byrne, promo material mgr.

Bayer, Panadol, [illegible]: N W Ayer, New York. Dom Rossi, pres-Ayer USA.

Medical communications: Harrison, Star, Wiener & Beitler, New York. Tom Harrison, pres.

Dairy Ease, Phillips line, Stri-Dex, Campho-Phenique, Neo-Synephrine, Sudal, pHisoDerm: Ammirati & Puris, New York. Mary Herrmann, exec vp-grp dir.

WINTHROP PHARMACEUTICALS: Martin Coyne, vp-pharmaceutical prods div; John Cornille, vp-sales, pharmaceutical prods div; Dan Peters, vp-hospital prods div; Jack Talley, vp-mktg, hospital prods div; Don Eans, vp-sales, hospital prods div; Tom Giordano, vp-managed healthcare, hospital prods div; Michael Namgle, vp-hospital information grp, hospital prods div.

Carpuject, Talacen, Talwin NX: Vargas & Levy, New York. Tom Vargas, pres.

Plaquenil, Imodium I.V.: Kallir, Philips, Ross Inc., New York. Norman Cooper, pres.

Omnipaque: Lally, McFarland & Pantello, New York. Ron Pantello, pres.

Omnipaque Radiology, Omnipaque Cardiology: Lavey/Wolff/Swift, New York. Charles Rockefeller, pres.

L&F PRODUCTS: Peter Black, grp vp; Hilary Hinchman, vp-adv svcs; Kevin Dunn, vp-mktg, household prods div; Jimmie Byrum, vp-sales, household prods; Peter Stearns, vp-mktg, personal prods div; Terry Shunnarah, vp-sales, personal prods; Jon Krance, vp-mktg, natl labs; Bruce Letsch, vp-sales, natl labs; Richard A. Bachman, vp-mktg, Minwax; Kathy Tousignant, vp-sales, Minwax; Frederick D. Miller, vp-mktg, Thompson & Formby; Thomas E. Harris, vp-sales, Thompson & Formby.

Lysol products, Love My Carpet, Mop & Glo: Lintas: New York. John Barnes, exec vp.

Lysol Direct, Wet Ones, Cloths, Disco Mates, 4-Concentrate Disinfectants, Resolve carpet cleaner: Warwick Baker & Fiore, New York. John Sloan, grp acct dir.

DID-X septic tank additive: Ramm Advertising, Cranford, N.J. Ed Ramon, pres.

Ogilvie, Tussy, Dorothy Gray: Jordan, McGrath, Case & Taylor, New York. Linda Schaler, sr vp-mgmt super.

Disparone: Warwick Baker & Fiore. Willard Baker, pres-ceo.

Mineax-consumer, industrial products: Gilbert, Whitney & Johns, Whippany, N.J. John Leonardi, pres.

Thompson & Formby: Slater Hanft Martin, New York. Terry Koch-Bostic, sr vp-mgmt super.

Red Devil: Lintas: New York. John Barnes, exec vp.

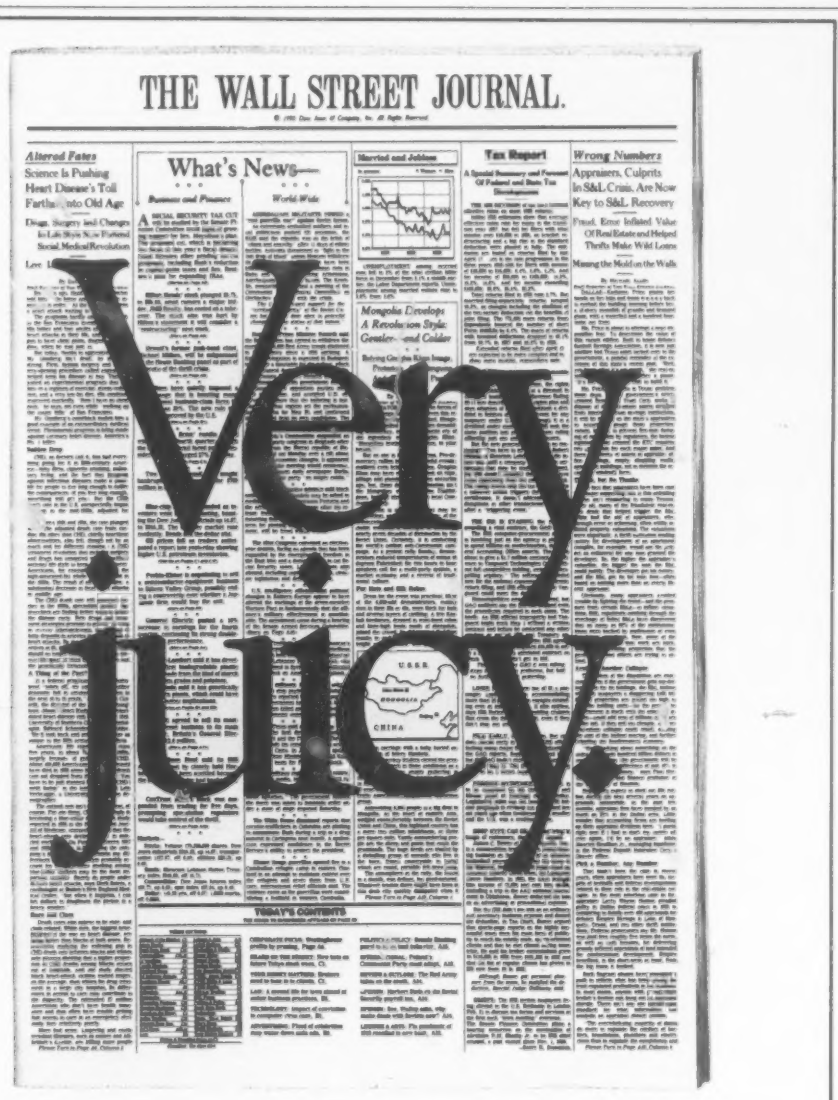
RANK: 41

Federated Department Stores

Cincinnati
Ad spending: **$273.7** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	1,484	2,206	(32.8)
Sunday magazine	1,027	1,509	(31.9)
Newspaper	134,483	143,998	(6.6)
Outdoor	0	0	NA
Spot TV	17,901	16,865	7.1
Cable TV networks	1	0	NA
Spot radio	1,013	3,578	(71.7)
Measured media	155,910	167,958	(7.2)
Unmeasured	117,800	126,900	(7.2)
Total	273,710	294,858	(7.2)
By top brands	**1990**	**1989**	**% chg**
Abraham & Straus apparel	13,472	11,872	13.5
Bloomingdale's stores	12,253	16,098	(23.9)
Abraham & Straus general	11,155	10,315	8.1
Bloomingdale's general	11,142	11,094	0.4
Bloomingdale's apparel	10,272	8,814	16.5
Abraham & Straus household	7,996	8,572	(6.7)



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U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Rich's general	6,734	6,765	(0.5)
Rich's apparel	6,378	6,931	(8.0)
Rich's household	6,352	9,264	(31.4)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	NA	10,439	NA
Earnings	NA	(1,740)	NA

CORPORATE PROFILE

The debt-ridden U.S. divisions of Campeau Corp., Allied Stores Corp. and Federated Department Stores, mired in bankruptcy proceedings for more than a year, proposed a recovery plan in October 1990 to get out from under Campeau's crushing $8.2 billion debt load.

The plan, to combine Federated and Allied into a new company called Federated Department Stores, would provide creditors stock in lieu of cash and reduce Campeau's debt burden to $2.8 billion by February 1992.

However, continued wrangling with creditors is prompting amendments to the plan.

If approved, Campeau would emerge with virtually no stake in any of the store chains.

Financial burdens and a weak 1990 holiday retailing season drove ad spending down 7.2% to $155.9 million.

Most of the decline came in newspapers, down 6.6% to $134.5 million. The medium represents 86% of media advertising.

Advertising by Federated/Allied's flagship Bloomingdale's slipped 5.8% to $37.2 million. Ad slashing also occurred at Lazarus, down 11.5% to $8.5 million; Jordan Marsh, 11.8% to $17 million; Rich's, 10.6% to $22 million; and Sterns, 21.7% to $14.4 million. Abraham & Straus' outlays rose 8% to $35.2 million.

Further downsizing will include the unloading of 12 Jordan Marsh stores in Florida. Several suitors are in the wings: Mervyn's division of Dayton Hudson Corp., J.C. Penney Co., Montgomery Ward & Co. and Dillard Department Stores.

Allied/Federated's "spending doesn't completely hinge on the outcome of the bankruptcy proceeding," said Kurt Barnard of the *Barnard Retail Marketing Report*. He said strong management now in place will assure higher spending to boost sales, particularly as the crucial holiday selling season approaches.

HEADQUARTERS

Federated Department Stores/7 West Seventh St./Cincinnati, Ohio 45202/Phone: (513) 579-7000.

PERSONNEL, BRANDS, AGENCIES

ABRAHAM & STRAUS: Joseph Yewdell, sr vp-mktg/sales promo; Joe Cantor, vp-admin; Nancy Slaven, operating vp-direct mail; Linda McLaughlin, vp-media.

Martino & Co., New York. Cathy Hart, Gary Wuertenberger, acct supers.

BLOOMINGDALE'S: Tim Oberg, vp-bus mgmt/adv; John Jay, exec vp-sales promo.

Bloomingdale's broadcast adv: Grey Advertising, New York. Herb Lieberman, exec vp.

BURDINE'S: Carey Watson, sr vp-mktg; Linda Frankel, vp-adv; Jorge Lopez, operating vp-adv adm'n/prodn; Jane Smiley, operating vp-special events/publicity; Gilbert Lorenzo, div sales support mgr.

In-house.

LAZARUS: Timothy Worcester, sr vp-mktg/sales promo; Herbert Frager, div vp-graphics dir; Ralph Holt, div vp-dir, adv/analysis; Becky Case, div vp-adv/special events.

In-house.

RICH'S: Donald Van Suilichem, sr vp-mktg dir; Alma Freedman, div vp-adv dir; John Thomas, vp-creative dir.

In-house. Broadcast adv: Babbit & Reiman, Atlanta. Michael Gaffney, gm.

ALLIED STORES CORP.: THE BON MARCHE: John Buller, sr vp-mktg/sales promo; Trisha Gregory, vp-creative dir; Mark Gordon, photo studio mgr; Bev Davies, bdcast-ROP dir; Sue Sleeth, direct mail dir; Val Walser, adv operations dir.

In-house.

ALLIED STORES CORP.: JORDAN MARSH-NEW ENGLAND: John Macht, sr vp-dir mktg; Mike Kelly, vp-planning/admin; Joel Benjamin, vp-creative dir.

Broadcast adv: Smith Patterson (in-house), Boston. Jean Publicover, media dir.

ALLIED STORES CORP.: MAAS, INC.: Thomas Ford, sr vp-mktg; Rebecca Hollifield, creative dir; B.J. Rhodes, adv dir.

In-house.

ALLIED STORES CORP.: STERNS: Howard Fraser, sr vp-mktg/adv; Ursula Drake, adv dir.

In-house.

ALLIED STORES CORP: RALPH'S GROCERY CO.: Al Marasca, exec vp-retail; Kevin Davis, vp-sales/adv; Terry Peets, sr vp-mktg.

Davis, Ball & Colombatto Advertising, Los Angeles. Carol Begelman, vp-acct super.

RANK: 16

Ford Motor Co.

Dearborn, Mich.

Ad spending: $616.6 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	148,916	142,798	4.3
Sunday magazine	1,137	892	27.5
Newspaper	25,881	30,149	(14.2)
Outdoor	2,485	3,148	(21.1)
Network TV	196,898	201,372	(2.2)
Spot TV	54,271	56,404	(3.8)
Syndicated TV	13,707	6,634	106.6
Cable TV networks	9,491	7,502	26.5
Network radio	14,874	11,180	33.0
Spot radio	3,676	13,390	(72.5)
Measured media	471,335	473,468	(0.5)
Unmeasured	144,700	145,300	(0.4)
Total	616,035	618,768	(0.4)
By top brands	**1990**	**1989**	**% chg**
Ford cars	220,870	198,501	11.3
Ford trucks & vans	108,275	105,048	3.1
Mercury cars	65,002	65,586	(0.9)
Lincoln cars	29,906	32,463	(7.9)
Jaguar cars	20,000	13,558	47.5
Ford car stereo systems	7,977	8,008	(0.4)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	97,650	96,146	1.6
Earnings	860	3,935	(78.1)
U.S.	**1990**	**1989**	**% chg**
Sales	56,902	61,452	(7.4)
Net income	(17)	1,099	NA
Division sales	**1990**	**1989**	**% chg**
Automotive	81,844	82,879	(1.2)
Financial svcs	15,806	13,267	19.1

CORPORATE PROFILE

While Ford Motor Co. has proved to be extremely vulnerable to the weak U.S. economy, some say the carmaker set itself up for its bumpy ride by bringing too few exciting entries to the market.

To counter mounting problems—a 3.9% slump in U.S. sales and 61.4% drop in U.S. net income last year—Chairman Harold Poling in February 1991 announced plans to cut the salaried work force, saving $3 billion by yearend.

The setbacks followed several years in which Ford got high marks for profitability and for bringing to market popular products. But by 1991, some analysts said Ford slipped fighting the onslaught of Japanese competitors and a revived General Motors Corp.

The No. 2 auto marketer's share of the U.S. car category was 20.9% in 1990, down 1.4 percentage points from 1989. Ford Division also lost the lead in overall car sales to GM's Chevrolet. The slippage primarily reflected lower shares of the small-car segment, the result of slow initial sales of the redesigned Ford Escort and Mercury Tracer, both introduced in spring 1990.

The new subcompacts received the biggest ad backing of any Ford products during 1990. Ford Division spent $72.8 million in measured media for the Escort in 1990, and Lincoln-Mercury supported the Tracer with $32.4 million. Escort sales dropped 13.4% during the year to 288,727, and Tracer fell 40.5% to 34,494.

On the truck side, Ford scored a major hit with the Explorer, its new compact sport-utility vehicle that replaced the Bronco II in April 1990. Ford sold 181,748 of the Bronco II and Explorer vehicles in 1990, giving it leadership in the segment.

Altogether, Ford boosted its truck share in 1990 to 29.9%, up from 29.3%. The company's share of the combined car and truck market was 23.9%, down from 24.6%.

Ford tried to break away from the consumer incentive game in December 1990, dropping most rebates in favor of providing promotional money to dealers. But Ford reneged in the spring, saying it was too hard to make the strategy work in a down market with competitors stepping up their consumer lures.

The company introduced new full-size cars in 1991, the Ford Crown Victoria bowing in March and the Mercury Grand Marquis bowing a month later.

HEADQUARTERS

Ford Motor Co./The American Rd./Dearborn, Mich. 48121/Phone: (313) 322-3000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Hal Augustine, adv/comms mgr.

Wells Rich Greene BDDP, New York. William Benton, exec vp-Detroit.

FORD DIV: Ross Roberts, vp-gm; Phil Novell, genl sales mgr; Keith Magee, genl mktg mgr; John Vanderzee, adv mgr; Robert Gillooly, car adv mgr; Dave Pohlod, truck ad mgr; Toby Hynes, merch mgr.

J. Walter Thompson USA, Detroit. Charles Balestrino, exec vp-gm. Minority adv: Burrell Advertising, Chicago. Charles McClellan, vp-acct dir.

LINCOLN-MERCURY DIV: Lee Miskowski, vp-gm; Mark Hutchins, genl sales mgr; Ian McAllister, genl mktg mgr; Stephen Lyons, ad mgr; Don Kaegi, merch mgr; Chuck Schneider, major mkt dealer ad mgr.

Young & Rubicam, Detroit. Michael Howe, pres-ceo. Minority adv: UniWorld Group, New York. Fermina Platon, vp-dir mktg.

FORD PARTS & SERVICE DIV: Thomas Wagner, vp-gm; Jack Clissold, genl sales/mktg mgr.

Ogilvy & Mather, Dearborn, Mich. Jan Starr, sr vp-gm.

FORD MOTOR CREDIT: D.S. Cook Jr., exec vp-N.

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American auto financing.

Wells Rich Greene BDDP, New York. William Benton, exec vp-Detroit.

JAGUAR CARS INC.: Robert Burden, vp-mktg; Michael O'Driscoll, mkt plans mgr; Alan Taylor, ad mgr.

Geer, DuBois, New York. Timothy O'Leary, sr vp-mgmt super.

RANK: 48

General Electric Co.

New York

Ad spending: **$230.2** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	36,444	38,332	(4.9)
Sunday magazine	1,502	962	56.2
Newspaper	16,488	23,634	(30.2)
Outdoor	1,135	1,413	(19.7)
Network TV	23,733	28,662	(17.2)
Spot TV	16,753	12,116	38.3
Syndicated TV	221	12	1,760.5
Cable TV networks	2,555	2,689	(5.0)

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Network radio	3,830	2,819	35.9
Spot radio	2,473	3,129	(21.0)
Measured media	105,134	113,766	(7.6)
Unmeasured	125,100	135,300	(7.5)
Total	230,234	249,066	(7.6)
By top brands	**1990**	**1989**	**% chg**
NBC TV	39,456	34,108	15.7
Corporate spending	21,232	28,752	(26.2)
GE refrigerators & freezers	16,035	5,441	194.7
GE lighting equipment	8,001	8,674	(7.8)
GE major appliances	6,356	6,878	(7.6)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	58,414	54,574	7.0
Earnings	4,303	3,939	9.2
U.S.	**1990**	**1989**	**% chg**
Sales	51,270	48,912	4.8
Operating profit	6,862	6,070	13.0
Division sales	**1990**	**1989**	**% chg**
Aerospace	5,614	5,282	6.3
Aircraft engines	7,558	6,863	10.1
Broadcasting	3,236	3,392	(4.6)
Industrial	7,040	7,059	(0.3)
Major appliances	5,706	5,620	1.5
Materials	5,146	4,929	4.4
Power systems	5,804	5,129	13.2
Technicals prods. svcs.	4,783	4,545	5.2
GEFS	14,774	12,945	14.1
Other	275	319	(13.8)

CORPORATE PROFILE

General Electric Co. proved military weapons, toaster ovens and light bulbs are better businesses than media to be in during a weak economy.

Double-digit sales gains from the company's aircraft engines, major appliances, power systems and financial services units more than offset a 4.6% decline at its NBC broadcasting division, which had a 20.9% decrease in operating profit.

GE in the process pared 7.6% from 1990 U.S. media spending supporting its product lines—largely NBC, appliances and light bulbs—emphasizing print media and national broadcast at the expense of spot TV (down 38.3%) and spot radio (down 21%).

GE increased media spending on NBC by 15.7%; consumer magazines remained the primary outlet.

NBC ratings and revenue share dropped significantly in 1990. The network's waning performance and a relatively uncompetitive environment due to tight regulation of the Big 3 networks have fueled speculation GE might soon divest NBC.

NBC Entertainment President Warren Littlefield maintains the network has a winning strategy for this fall's prime-time schedule, even though agency media executives predict it will be virtually a three-way tie.

John Miller, exec VP-advertising, promotion and daytime and children's programs, devised a fall advertising and promotion strategy that breaks from tradition.

Mr. Miller said NBC will put its advertising and promotional weight behind specific series vs. a schedule-wide effort. Like movie ads, Mr. Miller said, ads for new NBC series will be placed in movie buff magazines and similar media.

HEADQUARTERS

General Electric Co./3135 Easton Turnpike/ Fairfield, Conn. 06431/Phone: (203) 373-2211.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Richard A. Costello, mgr-corp mktg comms; James R. Harman, mgr-corp adv; Victor H. Alcott, mgr-GE Appliances adv; James S. Pomeroy, mgr-GE Lighting adv; William S. Kelly, vp-pr/adv, GE Capital.

Brand image, corp adv, major appliances, lighting: BBDO Worldwide, New York. John Marchese, acct dir-corp mktg/GE Appliance Group; Ken Angel, acct dir-GE automobile headlamps/GE batteries/GE Retail Lighting.

GE Capital: Jordan, McGrath, Case & Taylor, New York. Jack Taylor, vice-chmn.

NBC ENTERTAINMENT: John D. Miller, exec vp-adv/promo, daytime/children's programs; Alan Cohen, sr vp-mktg, NBC TV; Vince Manze, vp-adv/promo, West Coast; Tim Miller, vp-adv/promo East Coast; Preston Beckman, vp-prog/prog planning, West Coast; Jim Vescera, vp, on-air promo; Martha Stanville, vp-affiliate adv/promo svcs; Jenness Brewer, vp-print adv; Marla Goldstein, dir-media planning.

D'Arcy Masius Benton & Bowles, Los Angeles. Jim Helin, mg dir.

RANK: 20

General Mills

Minneapolis

Ad spending: **$539.0** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	18,389	16,590	10.8
Sunday magazine	751	0	NA
Newspaper	2,531	951	166.2
Outdoor	514	388	32.6
Network TV	142,851	144,975	(1.5)
Spot TV	191,497	150,240	27.5
Syndicated TV	15,137	10,907	38.8
Cable TV networks	27,411	21,306	28.6
Network radio	5,036	5,407	(6.9)
Spot radio	2,464	1,913	28.8
Measured media	406,581	352,675	15.3
Unmeasured	132,400	114,900	15.2
Total	538,981	467,575	15.3
By top brands	**1990**	**1989**	**% chg**
Cheerios cereal	81,771	68,109	20.1
Red Lobster Inns restaurants	60,799	58,068	4.7
Total cereal	42,150	42,016	0.3
Betty Crockers dinners	15,719	11,953	31.5
Oatmeal Crisp cereal	15,369	14,331	7.2
Fruit Corners snacks	14,849	11,928	24.5
Cinnamon Toast crunch cereal	13,671	7,623	79.3
Kix cereal	13,482	7,692	75.3
Wheaties cereal	13,175	10,277	28.2
Trix cereal	11,930	8,012	48.9

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	7,153	6,448	10.9
Earnings	473	381	24.1
U.S.	**1990**	**1989**	**% chg**
Sales	6,377	5,796	10.0
Operating profits	710	656	8.2
Division sales	**1990**	**1989**	**% chg**
Consumer foods	4,939	4,520	9.3
Restaurants	2,213	1,928	14.8

CORPORATE PROFILE

And now, for General Mills' next trick: topping the stellar results it posted in the past year while both its segments—package foods and restaurants—seek to buck declines surfacing industrywide.

General Mills' U.S. consumer foods unit volume grew 7.9% for its fiscal year ended May 26, as the company's food sales rose 9%; restaurant sales rose 15%.

Paralleling those sales and unit volume increases was a whopping 15.3% increase in companywide U.S. measured media spending for calendar 1990. Compare that to Kellogg Co., whose media spending fell 5.5% in 1990, and Quaker Oats Co., whose spending fell 8%.

Ready-to-eat cereals alone account for nearly 30% of General Mills' sales. Constrained by production capacity, it couldn't introduce a host of new cereals in 1990 but instead dramatically boosted spending on established brands.

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The net result: General Mills' pound share of the $7.2 billion cold-cereal business increased to 24.3% in calendar 1990 from 23.4%, bringing it closer to market leader Kellogg's 37.5% than ever before.

But having built its share through older brands and with line extensions to the Cheerios and Total franchises, General Mills is now trying to prove it can also build new brands: In February 1991, it launched Triples, a Rice Krispies competitor, and Basic 4, a premium-price value-added cereal. This fall, it will try its first Wheaties extension, a presweetened version called Wheaties Honey Gold, hitting Eastern markets this month.

The General Mills/Nestle joint venture, Cereal Partners Worldwide, launched its first two cereals in Europe, Golden Grahams and Honey Nut Cheerios, in a push to build a $1 billion non-U.S. cereal business by 2000.

General Mills confirmed months of industry rumors when it announced in June 1991 it was withdrawing Total Oatmeal, Under Cover Bears and Oatmeal Swirlers from the hot-cereal market. But its three-season foray into Quaker's back yard was one of only a very few blotches on General Mills' 1990 record. General Mills also suffered share and unit volume declines with Gorton's seafood and Yoplait yogurt.

Led by Pop Secret and Hamburger Helper, the Betty Crocker division posted a unit volume increase of 13% in fiscal 1991. Pop Secret continued No. 2 in the $428 million microwave popcorn market to ConAgra's Orville Redenbacher's brand (29% to 40.7%), but Pop Secret posted a 36% sales increase in calendar 1990. A colored popcorn aimed at kids, Pop Qwiz, will make its debut this fall.

Betty Crocker continued to pace the $1 billion baking mix category with a 40% share to Procter & Gamble Co.'s 27% and Pillsbury Co.'s 22%. Betty Crocker added a line of SuperMoist Light cake and brownie mixes and ready-to-spread frostings with reduced fat and calorie levels, and MicroRave Singles, single-serving cake and brownie mixes.

General Mills' restaurant division, the nation's eighth-largest restaurant operator, had sales of $2.2 billion in fiscal 1991, up 15%, primarily reflecting aggressive expansion of the Olive Garden and Red Lobster chains. Average unit sales for both chains were relatively flat.

HEADQUARTERS

General Mills/Number One General Mills Blvd./Minneapolis, Minn. 55426/Phone: (612) 540-2311.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Donald L. Knutzen, vp-gm, mktg svcs; Robert J. Blake, dir-adv svcs, consumer foods.

CONSUMER FOODS: Stephen W. Sanger, sr vp-pres, Big G div; Stephen W. Warbover, sr vp-pres, Gorton's; Roger W. Rumble, pres-foodservice; David K. Murphy, pres-Betty Crocker div; Michael E. Cushmore, pres-Sperry div; Jon L. Finely, pres-Yoplait USA; Edward K. Bixby, sr vp-pres, consumer foods sales; Gary M. Rodkin, pres-Bringers.

Trade advertising: Bozell, Minneapolis. Eric Forslin, vp-acct super.

Bugles, Cinnamon Toast Crunch, Nature Valley Granola Bars, Oatmeal Crisp, Oatmeal Raisin Crisp, Pop Qwiz, Pop Secret: Campbell-Mithun-Esty, Minneapolis. Tom Hanft, Les Mouser, exec vps-dirs, acct svcs.

Boo-B's, Basic 4, Betty Crocker dessert mixes & potatoes, Bisquick, Crispy Wheats 'n Raisins, Golden Grahams, Hamburger Helper, Skillet Chicken Helper, Raisin Nut Bran, Tuna Helper, Wheaties, Wheaties Honey Gold, Yoplait: DDB Needham Worldwide, Chicago. Robert L. Klein, Peter Kuntz, vps-mgmt reps.

Bringers: Fallon McElligott, Minneapolis. Mary Weber, mgmt super.

Gorton's: Laurence, Charles, Free & Lawson, New York. Pamela Schreiber, acct super.

Foodservice: Carmichael Lynch, Minneapolis. Rob West, exec vp-CL Technologies.

Berry Bears fruit snacks, Cheerios, Clusters, Cocoa Puffs, Fiber One, Fruit by the Foot, Fruit Roll-Ups, Fruit Wrinkles, Garfield fruit snacks, Kix, Lucky Charms, Monster cereals, Short Stixs fruit snacks, Squeesh, Surf's Up! fruit snacks, Thunder Jets fruit snacks, Total, Triples, Trix: Saatchi & Saatchi Advertising, New York. Skip Sims, exec vp-exec mgmt dir.

RESTAURANTS: Jeffrey J. O'Hara, pres-Red Lobster USA; Ronald N. Magruder, pres-The Olive Garden; Blaine Sweat III, pres-China Coast.

Red Lobster, Olive Garden: Grey Advertising, New York. Jordan Rosuck, exec vp.

RANK: 4

General Motors Corp.

Detroit

Ad spending: $1,502.8 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	207,184	213,524	(3.0)
Sunday magazine	9,112	12,328	(26.1)
Newspaper	46,583	55,654	(16.3)
Outdoor	3,963	3,693	7.3
Network TV	598,370	506,514	18.1
Spot TV	136,478	90,921	50.1
Syndicated TV	27,602	20,672	33.5
Cable TV networks	25,963	21,040	23.4
Network radio	25,223	35,310	(28.6)
Spot radio	20,451	39,477	(48.2)
Measured media	1,100,929	999,131	10.2
Unmeasured	401,900	364,700	10.2
Total	1,502,829	1,363,831	10.2
By top brands	**1990**	**1989**	**% chg**
Chevrolet cars	164,312	186,732	(12.0)
Buick cars	158,685	116,803	35.9
Chevrolet light trucks	136,824	108,307	26.2
General Motors cars	129,331	79,661	62.3
Oldsmobile cars	106,091	129,551	(18.1)
Pontiac cars	85,145	112,477	(24.3)
Geo Metro & Tracker	67,081	68,999	(2.8)
Cadillac cars	65,372	48,989	32.8
General Motors auto parts	35,064	36,681	(4.4)
Saturn Corp.	31,591	0	NA

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	124,705	126,932	(1.8)
Earnings	(1,986)	4,224	(147.0)
U.S.	**1990**	**1989**	**% chg**
Sales	86,967	93,164	(6.7)
Net income	(4,570)	1,813	NA
Division sales	**1990**	**1989**	**% chg**
Automotive	96,906	99,106	(2.2)
Financing & Insurance	11,812	11,254	5.0
Other	13,303	12,852	3.5

CORPORATE PROFILE

On Aug. 1, 1990, Robert Stempel enjoyed a full day in his new job as chairman of General Motors Corp. before his first crisis. Saddam Hussein invaded Kuwait the next day, triggering oil fears and plunging the automotive industry into a deep sales downturn.

The recession helped produce an overall earnings loss at GM in 1990, even though the company was the only domestic auto marketer to gain market share. GM took a $2.1 billion write-off in the third quarter, reflecting the cost of closing four previously idled U.S. assembly plants. Excluding the special charge, GM earned $102 million in 1990.

GM whacked away at budgets, including advertising. Sources indicated GM's total ad spending for 1991 would come in about $200 million less than in 1990.

After seeing its U.S. market share erode steadily during the '80s, GM captured 35.5% of the combined car and light-truck market in 1990, compared with to 35.1% the year before. Its 1990 car share was 35.6%, up from 35.2%; its light-truck share was 35.4%, up from 34.9%; its overall new-vehicle share rose to 35.5% from 35.1%, according to *Automotive News*.

The earnings downturn continued in the first half of 1991, when GM lost $1.2 billion. GM's overall market share was 35.5%, down from 35.9% in the first half of 1990.

GM's Saturn project got off the ground, beginning a regional rollout of its first two models in October 1990. Saturn sold 1,881 cars in 1990, less than 0.1% of the car market. Production and sales slowly accelerated during the first half of 1991, as Saturn sold 25,320 cars during that period.

Chevrolet division, boosted by strong Geo sales, increased its share of the U.S. car market to 14.7% in 1990, up from 13.8% driving past Ford as the leader in car sales. Chevrolet officials credited the "Get to know Geo" ad campaign with boosting awareness. Chevrolet's truck share dropped to 27.1% from 27.4%.

Buick was GM's biggest success story, taking 5.8% of the car market in 1990, up from 5.6%, and climbing to 6.6% in the first half of 1991. A sustained, cohesive approach to developing product and image around the "premium American motorcar" theme, and measurably improved quality, triggered the upsurge.

Pontiac struggled from the lack of new product, its car market share dropping to 6.8% from 6.9%, and to 6.4% in the first half of 1991. Sales of the Trans Sport minivan introduced in 1989 gave Pontiac 0.7% of the 1990 truck market, compared with 0.1% the year before.

Cadillac inched up from 2.7% of the car market in 1989 to 2.8% in 1990, but fell to 2.5% in the first half of 1991 as the luxury car segment took a tumble. Cadillac launched two critical products in September 1991, a redesigned Seville and Eldorado aimed at import-lovers.

Oldsmobile continued slumping, falling to 5.5% from 6.1%, and 5.1% in the first half of 1991. The division took 0.6% of the truck market in 1990, up from less than 0.1%, the result of rolling out a minivan in late 1989 and a sport-utility vehicle in late 1990. In July 1991, the division switched to a product-oriented ad approach, "The power of intelligent engineering."

GMC's share of the light-truck market dropped to 7.1% from 7.4% and to 6.9% in the first six months of 1991.

GM continued to be a major player on the media front. The company inked an estimated $80 million cross-media deal with Time Warner; committed to being a broadcast sponsor on NBC's coverage of the 1992 Summer Olympics; signed an estimated $400 million, seven-year deal with CBS for coverage of regular season and Final Four NCAA basketball telecasts; signed on as a charter sponsor of Turner Broadcasting System's "Airport Channel"; and became the first title sponsor of the U.S. Armed Forces Sports Championships.

HEADQUARTERS

General Motors Corp./3044 W. Grand Blvd./Detroit, Mich. 48202/Phone: (313) 556-5000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: J.B. Fitzpatrick, vp-comma/mktg staff; P. Guarascio, exec-in-charge, corp mktg/adv; V.P. Barabba, exec-in-charge, mkt research design center; D.J. Teasdale, dir-adv operations; H.D. Weed, dir-consumer influence operations; M.A. Browner, genl dir-media operations; J. Kornas, dir-strategic merch/mktg prog; D.P. Bolen, adv operations mgr; R.J. Muratore, mgr-public affairs adv; K.M. Gramling, adv super; E.C. Lazar, mgr-media operations.

D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. Ronald Monchak, mg dir. N W Ayer, Detroit. Dannielle Colliver, pres. The Mingo Group, New York. Samuel Chisholm, pres.

CONSUMER MARKET DEVELOPMENT: Shirley Young, vp-consumer mkt devel; Jim Panaretos, mgr-consumer mkt devel; Ronald Muratore, mgr-public affairs adv.

McCann-Erickson Worldwide, New York. Sean Fitzpatrick, exec vp worldwide-GM acct/creative mgmt.

BUICK MOTOR DIV.: E.H. Mertz, vp-gm; R.E. Coletta, genl sales/svcs mgr; D.E. Clark, genl mktg mgr; B.W. Edwards, dir-strategic mktg; J.W. Qualman Jr., genl dir-adv.

McCann-Erickson, Troy, Mich. Gerald Atkin, exec vp.

CADILLAC MOTOR CAR DIV.: John Grettenberger, vp-gm; Peter Gerosa, genl sales/svc mgr; Ellie Torre, asst genl sales mgr-mktg; Peter Levin, dir-adv; Richard Sheridan, mgr-adv.

D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. Alexander Morton III, exec vp-mgmt super.

CHEVROLET MOTOR DIV.: J.C. Perkins, gm; R. W. Starr, genl sales/svc mgr; J.P. Hurlbert, genl mktg mgr; K.L. Ritter, mktg mgr-trucks; S.D. McAvoy, mktg mgr-pass car; J.D. Jandasek, mgr-passenger car adv; R.M. Whisner, mgr-truck adv.

Lintas:Campbell-Ewald, Warren, Mich. Richard O'Connor, chmn-ceo. Regional agency-West: Vic Olesen & Partners, Culver City, Calif. Victor Olesen, pres-partner.

GENERAL MOTORS ACCEPTANCE CORP.: J.R. Edman, chmn; W.J. Lovejoy, pres; H.L. Davis, grp vp-mktg; G.P. Whitlinger, exec vp-operations; C.A. Krauss Jr., vp-public affairs/adv.

Lintas:Campbell-Ewald, Warren, Mich. Michael Tuite, sr vp-grp mgmt super.

GENERAL MOTORS SERVICE PARTS OPERATIONS: A.M. Long, exec-in-charge of svc parts operations; L.J. Decker, genl dir-sales/svc; D.P. Robinson, dir-mktg/prod prog; B.J. Snelson, dir-adv/sales promo.

Lintas:Campbell-Ewald, Warren, Mich. Jeffrey Jacobs, sr vp-mgmt super.

GENERAL MOTORS PARTS: E.H. Smith, genl sales mgr-GM dealers.

D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. Theodore Teegarden, exec vp-mgmt super.

GMAC MORTGAGE CORP.: G.C. Thomas, pres-ceo; F.A. Henderson, exec vp; R.A. Gillespie, vp-pr/adv.

Lintas:Campbell-Ewald, Warren, Mich. Michael Tuite, sr vp-grp mgmt super.

GMC TRUCK DIV.: Lewis Campbell, vp-gm; Raymond Rota, genl sales mgr; Frederick Cook, dir-mktg; Warren Christell, dir-adv/business operations.

McCann/SAS, Troy, Mich. Candace Robbins, gm.

HUGHES AIRCRAFT CO.: Malcolm Currie, chmn-ceo; David Snyder, sr vp-mktg/intl; Lucius Gregg, staff vp-corp comms; Alma Gonzalez, mgr-corp adv.

Eisaman, Johns & Laws, Los Angeles. Dennis Coe, pres. Bernard Hodes Advertising, Los Angeles. Steve Petersen, sr vp-branch mgr.

OLDSMOBILE DIV: J.M. Losh, vp-gm; D.E. Labti, genl sales/svc mgr; M.A. Grimaldi, genl mktg mgr; K.H. Ebben, dir-consumer mktg; D.H. Parkinson, strategic mktg mgr; G.W. Card, adv mgr; R.J. Romero, sales promo mgr.

Leo Burnett Co., Southfield, Mich. G. Ted Jordan Jr., sr vp-client svcs dir.

PONTIAC DIV: John Middlebrook, vp-gm. Elwood Schlesinger, genl sales/svc mgr; Joe Hendrix, genl mktg mgr; Lawrence Walter, sales promo mgr; Kenneth Robinson, adv/consumer mktg mgr.

D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. O. Mark Gjovik, exec vp-grp acct dir.

SATURN CORP.: Richard LeFauve, pres; Donald Hudler, vp-sales/svc/mktg; Thomas Shaver, dir-mktg svcs.

Hal Riney & Partners, San Francisco. Hal Riney, chmn-ceo.

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RAB

Radio Network Association, Inc.

Top 25 network TV advertisers

Rank	Advertiser	Network TV spending 1990	1989	% chg
1	General Motors Corp.	$598.4	$506.5	18.1
2	Procter & Gamble Co.	556.1	446.8	24.5
3	Philip Morris Cos.	402.2	368.4	9.2
4	Kellogg Co.	301.3	324.8	(7.2)
5	Sears, Roebuck & Co.	253.8	197.1	28.8
6	AT&T Co.	244.9	162.7	50.5
7	McDonald's Corp.	231.8	252.1	(8.4)
8	Johnson & Johnson	211.4	169.9	24.4
9	Ford Motor Co.	196.9	201.4	(2.2)
10	PepsiCo	193.4	168.8	14.6
11	Chrysler Corp.	190.0	140.6	35.2
12	Grand Metropolitan	183.1	148.2	23.5
13	Toyota Motor Corp.	170.9	110.8	54.2
14	Unilever NV	162.9	190.4	(14.5)
15	American Home Products Corp.	150.5	156.0	(3.5)
16	Nestle SA	146.0	125.8	16.1
17	General Mills	142.9	145.0	(1.5)
18	RJR Nabisco	133.6	143.3	(6.8)
19	Anheuser-Busch Cos.	129.0	181.5	(28.9)
20	Nissan Motor Co.	125.8	73.4	71.3
21	Bristol-Myers Squibb Co.	124.4	131.7	(5.5)
22	Honda Motor Co.	119.0	101.0	17.8
23	Eastman Kodak Co.	116.5	137.5	(15.3)
24	Warner-Lambert Co.	91.1	100.8	(9.6)
25	Coca-Cola Co.	88.9	98.8	(10.0)

Note: Dollars are in millions. **Source:** LNA/Arbitron. See Page 71 for methodology and other source information.
AA chart: Kevin Brown

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Source: WSJ 1988 Worldwide Subscriber Study.
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RANK: 57

Gillette Co.
Boston
Ad spending: $181.7 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	17,354	26,728	(35.1)
Sunday magazine	0	284	NA
Newspaper	1,551	0	NA
Outdoor	29	6	357.2
Network TV	45,867	46,615	(1.6)
Spot TV	3,079	4,965	(38.0)
Syndicated TV	7,338	9,382	(21.8)
Cable TV networks	6,138	9,187	(33.2)
Network radio	575	495	16.2
Spot radio	195	137	42.4
Measured media	82,123	97,778	(16.0)
Unmeasured	99,600	87,300	14.1
Total	181,723	185,078	(1.8)
By top brands	**1990**	**1989**	**% chg**
Gillette shaving products	35,856	29,448	21.8
Braun shaving equipment	11,420	10,649	7.2
Right Guard deodorants	8,709	8,079	7.8
Oral-B	8,502	2,964	186.9
Soft & Dri deodorants	8,343	8,752	(4.7)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	4,344	3,819	13.8
Earnings	368	285	29.3
U.S.	**1990**	**1989**	**% chg**
Sales	1,433	1,348	6.3
Profit from operations	262	219	19.8
Division sales	**1990**	**1989**	**% chg**
Blades & razors	1,571	1,238	26.9
Toiletries & cosmetics	941	1,036	(9.2)
Stationery prods	469	430	9.1
Braun prods	1,098	892	23.1
Oral-B prods	263	219	20.1
Other	3	4	(25.0)

CORPORATE PROFILE

Gillette Co. cut U.S. media spending in 1990 because its new Sensor shaving system had a more successful launch than anticipated, catching Gillette short on supply, company executives said.

After a sluggish first quarter 1991, Gillette was off and running again with Sensor, backed by $59.2 million in media and $5.7 million in sampling and couponing. Gillette supported Sensor in May and June with an $8 million direct-marketing campaign, its largest ever for a shaving product. The U.S. campaign included couponing and FSIs.

Early-year shipments of Sensor to the trade and initial consumer sales were weak in 1991, partly because of the economy and tighter retail inventories, said Prudential Securities VP Andrew Shore. Sensor sales have improved since April, however, and should reach $365 million by yearend, he said.

By the end of 1990, Sensor had a 9.3% share of the $840 million-plus U.S. wet-razor category. Gillette's total share for 1990 was 62.7%, up from 61%, followed by Warner-Lambert Co.'s Schick at 14.9%, down from 16.8%; Bic Corp.'s brands, 10.3%, up from 9.8%; American Safety Razor Co.'s brands, 2.4%, down from 2.7%; and Wilkinson Sword's brands, 1.4%, down from 1.6%.

U.S. sales of deodorants/antiperspirants decreased slightly, mainly from weaker sales of Dry Idea, offset by increases in the Right Guard Sport line extension. While Right Guard ad spending increased 7.8% to $8.7 million, spending for Dry Idea dropped from $3.5 million to $932,000.

HEADQUARTERS

Gillette Co./Prudential Tower Building/Boston, Mass. 02199/Phone: (617) 421-7000.

PERSONNEL, BRANDS, AGENCIES

ADVERTISING SERVICES DIV.: Michael Nadelberg, vp-mktg svcs; Louise Baranowski, mgr-media buying; Donald McAllister, mgr-media planning; John Walp, dir-adv prodn.
NORTH ATLANTIC GROUP: Bruce Cleverly, Peter Hoffman, Brian McFarland, vps-bus mgmt.
SHAVING USA: Robert Leger vp-sales/mktg; James Taffeirin, dir-mktg.
Sensor, Atra line, Trac II, Good News, Daisy: BBDO Worldwide, New York. Simon Marlowe, exec vp-sr mgmt rep.
PERSONAL CARE USA: Carole Johnson, vp-sales/mktg; J.D. Grinnell, dir-mktg.
Right Guard, Epic Waves: N W Ayer, New York. David Gantman, sr vp-exec acct dir.
Dry Idea, Soft & Dry: BBDO Worldwide, New York. Janet Presley, exec vp-dir acct.
STATIONERY PRODUCTS GROUP: Stephen White, vp-bus strategy, new prods/acquisitions; Jim Ricci, Anne Kelly, mktg mgrs.
Paper Mate, Waterman, Liquid Paper: McCann-Erickson Worldwide, New York. David Weiss, vp-grp head dir.
ORAL-B LABORATORIES: Thomas Farrow, gm-Consumer Prod. Div.
Ultra toothbrushes: BBDO, Los Angeles. Terry Bowman, sr vp-mgmt super.
BRAUN: Richard Cantwell, dir-mktg; Christina Steele, Robert Cronon, mktg mgrs; Alex McKinnon, Alex Resley, prod mgrs.
Braun: shavers, personal care, clocks, household prods: Lowe & Partners, New York. Dan O'Donnell, sr vp-mgmt super.

RANK: 59

Goodyear Tire & Rubber Co.
Akron, Ohio
Ad spending: $178.7 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	14,880	11,118	33.8
Sunday magazine	4,073	596	583.0
Newspaper	1,832	18,630	(90.2)
Outdoor	36	180	(80.2)
Network TV	29,473	15,619	88.7
Spot TV	4,044	10,038	(59.7)
Syndicated TV	533	181	193.9
Cable TV networks	1,771	1,022	73.3
Network radio	14,223	6,139	131.7
Spot radio	8	3,230	(99.8)
Measured media	70,872	66,755	6.2
Unmeasured	107,800	101,500	6.2
Total	178,672	168,255	6.2
By top brands	**1990**	**1989**	**% chg**
Goodyear tires	57,990	43,419	33.6
Goodyear service store	11,109	18,309	(39.3)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	11,273	10,869	3.7
Earnings	(38)	207	NA
U.S.	**1990**	**1989**	**% chg**
Sales	6,460	6,421	0.6
Operating income	327	491	(33.4)
Division sales	**1990**	**1989**	**% chg**
Tires, related	9,215	8,849	4.1
General products	2,027	2,009	0.9
Oil transportation	30	12	154.2

CORPORATE PROFILE

Goodyear Tire & Rubber Co., the top tire marketer in North America, is a battered giant in a beleaguered industry. The No. 2 player in the $50 billion worldwide tire market last year posted its first annual loss since 1932.

Fortunes continued to slip in first quarter 1991 when it lost $90.1 million. By the second quarter, earnings had regained steam, rising to $22.5 million, giving Goodyear reason to project a profit for the full year.

Several problems plague Goodyear. The car industry is in a slump. That's led to an oversupply of tires. Competition is fierce, with price-cutting paring profit margins. Goodyear is shackled by $3.8 billion in debt incurred in the mid-'80s when it fended off a takeover attempt.

Enter Stanley C. Gault. Just retired from Rubbermaid, Mr. Gault was hired by Goodyear last June as chairman-ceo, the first time since 1926 that Goodyear had brought in an outsider to run the company.

He is selling assets and holding the line on capital expenditures and on ad spending. There have been no new ads for tires this year until the fourth quarter, as Goodyear recycled tire ads created in 1990. Goodyear service centers have received a new campaign. Service store advertising in 1990 declined 39.3% to $11.1 million.

During 1990, Goodyear provided strong support for Goodyear branded car tires, spending $38.2 million, up 25%. This claimed a little more than half of Goodyear's total spending in media.

Goodyear planned to introduce four new products by yearend. Set for an introduction this month is a "green" tire, the Invicta GFE, which can cut fuel consumption by 4%. Other new products included a high-traction tire, a high-performance tire for Corvettes and a new light-truck tire. Goodyear is "considering" selling tires through discounters, a first for the marketer.

HEADQUARTERS

Goodyear Tire & Rubber Co./1144 E. Market St./Akron, Ohio 44316/Phone: (216) 796-2121.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Davis M. Jones, dir-brand adv; James A. Neawedde, brand adv mgr-high performance/racing tires; David A. Drown, brand adv mgr-broad mkt passenger/light truck tires; Paul F. Suloff, adv mgr-truck/farm tires; James T. Manning, mgr-genl prods adv; David A. Hanni, mgr-intl adv; Debra M. Walker, genl mktg mgr-retail; David A. Lenox, mgr-natl retail programs; David J. Morin, mktg mgr-adv sales plans/promos, retail stores.
General productions, retail promo assignments: Malone Advertising, Akron, Ohio. Fred Bidwell, pres.
Goodyear tires-broad market, Eagle High Performance tires, Wrangler Truck tires, race enthusiast adv, commercial truck & farm tires, ext retail adv & services: J. Walter Thompson USA, Detroit. Chuck Balestrino, exec vp.
KELLY SPRINGFIELD TIRE CO. and LEE TIRE & RUBBER CO.: Jack Florin, dir-adv; Sharon Moore, mgr-sales promo; John Landers, mgr-retail fixtures; Steve Ketterman, mgr-retail adv.
Kelly tires: Marcus Advertising, Cleveland. Don Campbell, exec vp.
Lee tires: Winchell Marketing Communications, Philadelphia. Carl Shaifer, chmn-acct mgr.

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RANK: 5

Grand Metropolitan

London

Ad spending: $882.5 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	76,706	69,413	10.5
Sunday magazine	4,083	4,595	(11.1)
Newspaper	6,372	7,465	(14.6)
Outdoor	8,443	7,560	11.7
Network TV	183,069	148,216	23.5
Spot TV	58,802	68,759	(14.5)
Syndicated TV	45,823	25,352	80.7
Cable TV networks	10,326	5,578	85.1
Network radio	0	3,795	NA
Spot radio	8,512	26,575	(68.0)
Measured media	402,136	367,307	9.5
Unmeasured	480,500	438,900	9.5
Total	882,636	806,207	9.5
By top brands	**1990**	**1989**	**% chg**
Burger King	177,589	175,423	1.2
Pearle Vision centers	44,153	31,152	41.7
Pillsbury mixes/baking pdts.	31,248	17,981	73.8
Alpo cat food	21,256	2,666	697.3
Pillsbury breads & rolls	15,737	15,612	0.8
Green Giant vegetables	14,050	9,698	44.9
Absolut vodka	14,047	10,621	32.3
Smirnoff vodkas	9,606	10,734	(10.5)
J&B scotch	9,115	7,021	29.8
Alpo dog food	7,061	12,492	(43.5)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	16,616	15,567	6.7
Earnings	1,132	864	31.0
U.S.	**1990**	**1989**	**% chg**
Sales	8,025	6,228	28.8
Trading profit	840	661	27.0
Division sales	**1990**	**1989**	**% chg**
Food	3,201	4,808	(33.4)
Drinks	5,306	4,661	13.8
Retailing	4,476	3,269	36.9

CORPORATE PROFILE

Grand Metropolitan in 1990 unleashed a flurry of new products, especially from its Pillsbury division, and moved this year to gain clout in network TV by consolidating network media buying.

D'Arcy Masius Benton & Bowles landed a plum this April when Grand Met consolidated $200 million in network TV buying at the agency. D'Arcy already handled Burger King Corp.'s buying; various shops had handled Pillsbury Co., Haagen-Dazs Co., Alpo Petfoods, Pearle Vision Centers and Heublein. Network TV accounted for about 46% of total media spending in 1990.

Franchisee disenchantment at Burger King led to the end of the "Break the rules" ad theme in April and resignation of Gary Langstaff, exec VP-brand strategy, this past February. The "Rules" theme was replaced with "Your way, right away," a variation on the 1970s' "Have it your way."

Burger King added Newman's Own salad dressings in 1990 and continued in 1991 with Kool-Aid Kool Pops and Snickers ice cream bars. Burger King units also began trading Domino's pizza and Weight Watchers low-cal products.

Burger King ranked second to McDonald's in the hamburger/sandwich market with a 16.9% share vs. 17.2% in 1989, according to *Nation's Restaurant News*.

Pillsbury introduced 50 new products, doubling the amount introduced in 1989. Ad spending on Pillsbury brand products grew 40% to $47 million.

The company remained third in the $1 billion baking mix category with a 22% share, behind General Mills' Betty Crocker line and Procter & Gamble Co.'s Duncan Hines brand.

Spending for Pillsbury's Green Giant Co. rose 44.9% to $14 million, with most of the increase coming in network and spot TV support for the vegetables lines.

Green Giant was second with a 12.6% share (up from 11.2%) in the $2 billion canned vegetable market in 1990, behind Del Monte's leading 15%, Information Resources Inc. reported. In the $1.8 billion frozen vegetable category, Green Giant's share rose 1.6 points to 15.3%, making the marketer a close second to the 16% held by Birds Eye, a Kraft General Foods brand. Haagen-Dazs in April got its first TV support ever as part of a $13 million campaign.

Heublein in 1990 became the leader of the 84.7 billion-case liquor market, unseating Jos. E. Seagram & Sons, according to John C. Maxwell Jr., analyst with Wheat, First Securities. Heublein gained 3.5% in volume to reach 14.3% of market; Seagram remained relatively flat at 13.8%. The new leader was aided by the 1989 acquisition of Christian Brothers and by the Jose Cuervo, Finlandia and Black Velvet brands.

Smirnoff vodka remained the industry's No. 2 spirit brand behind Bacardi Imports' Bacardi, with a 4.9% share, while Popov advanced one rung to third at 2.7%.

HEADQUARTERS

Grand Metropolitan PLC/11-12 Hanover Square/London W1A 1DP/England.

Grand Metropolitan Inc./200 South Sixth St./Minneapolis, Minn. 55402/Phone: (612) 330-4966.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Ian A. Martin, chmn; Robert C. Lowes, exec vp-cfo.

ALPO PETFOODS: H. Robert Hawthorne, pres-Alpo; Kevin Martin, sr vp-mktg/sales.

Alpo canned & dry dog food, Alpo Dinner canned & dry dog food, Alpo Chop Bits, Alpo Light canned dog food, Alpo puppy food, Alpo Snaps treats, Alpo stew biscuits dog food, Bi-tis dog biscuits, Beef Bites treats, Tabby cat food: Weightman Inc., Philadelphia. Paul Burger, mgmt super.

BURGER KING CORP.: Fredy M. Dellis, pres-Burger King, Intl.; Robert J. Stetson, coo-Burger King USA.; Sidney J. Feltenstein Jr., exec vp-brand strategy; Denis Hitchmough, media dir.

Burger King brand identity: D'Arcy Masius Benton & Bowles, New York. Roy Bostock, pres.

Burger King brand retailing: Saatchi & Saatchi Advertising, New York. Edward L. Wax, ceo; Harvey Hoffenberg, exec vp.

PILLSBURY FOODS: Paul S. Walsh, div coo; Michael J. Paxton, pres-Bakery Prods. Div.; Gary Klingl, pres-Vegetable Grp.; Peter Thompson, div ceo, Haagan-Dazs Ice Cream; Ove Sorensen, pres, Haagen-Dazs Ice Cream/sr vp, Haagen-Dazs Intl; John Speirs, sr vp-mktg; Greg Lincoln, media dir.

Cakes/frosting mixes, Green Giant products, refrigerated products, Hungry Jack potatoes/pancakes, Pillsbury microwave products, Totino's pizza, Jeno's pizza: Leo Burnett USA, Chicago. John Miller, sr vp-grp acct dir Campbell-Mithun-Esty, Minneapolis. Steve Gordon, sr vp-mgmt super. Foote, Cone & Belding, San Francisco. Kit Mill, sr vp-grp mgmt super. UniWorld Group, New York. Mark Robinson, vp-acct super.

Haagen-Dazs: BBDO Worldwide, New York. Jayne Evans, acct dir.

PEARLE HEALTH SERVICES: Joe Dono, sr vp-mktg; George Williams, vp-field mktg; Debbie Tippett, dir-mktg; Barbara Pijot, creative mktg mgr; Mary Lee Kilgore, media mgr.

Pearle Vision Centers, Texas State Optical Service: Foote, Cone & Belding, Chicago. Joan Black, sr vp-grp acct dir.

INTERNATIONAL DISTILLERS AND VINTNERS: G. William Seawright, pres-ceo; Roger Slone, sr vp-mktg; Anthony Foglio, sr vp-sales; Keith Greggor, brand dir-Bailey's Original Irish Cream; David Margolis, brand dir-J&B; Jamie Friedman, brand mgr-Malibu; Mark Teasdale, brand mgr-Amaretto di Saronno; John Skaviem, brand mgr-Romana Sambuca/Metaxa/Singleton; Geoff Ledger, asst brand mgr-Knockando; Julie Guettinger, asst brand mgr-Stubbs; Donald Van Wart, asst brand mgr-Rumple Minze, No. 12; Ron Melillo, asst brand mgr-Cinzano/Florio.

Bailey's Original Irish Cream liqueur, Cinzano vermouth, Sambuca Romana, Malibu Rum, Rumple Minze schnapps, Stubbs: Geer, DuBois, New York. Justin Parks, exec vp-grp acct dir.

Amaretto di Saronno, J&B rare scotch, Knockando scotch, Metaxa brandy: Grace & Rothschild, New York. Regis Albrecht, mgmt super.

CARILLON IMPORTERS: Michel Roux, pres-ceo; Dick McEvoy, sr vp-mktg/sales; Ernie Capria, vp-dir, mktg svcs; Pamela Taylor, dir-pr.

Absolut vodka, Absolut Pepper, Absolut Citron, Bombay gin, Fernet Branca, Grand Marnier, Piat D'Or wine: TBWA, New York. Richard Lewis, Brian Barry, vps-mgmt supers.

HEUBLEIN INC.: Martin Pazzani, John G. Martin, Bruce McDonnell, Ralph A. Hart, div mktg vps; Vince Murphy, Vanguard Div. mktg vp; George Scheppler, Fine Wines Div. mktg vp; Pat Wiley, Palace Brands Co. mktg vp; Charles Wheeler, dir-adv svcs.

Black Velvet Canadian whisky, Smirnoff Vodka, Smirnoff Silver Vodka, The Famous Grouse scotch whisky, Yukon Jack Canadian liqueur: McCann-Erickson Worldwide, New York. Rob McKinley, mgmt super.

Almaden wines, Almaden Mountain Hill, Christian Brothers wines, Finlandia vodka, Heublein Cocktails, Inglenook-Napa Valley wines, Inglenook Rinaldo wines, Jose Cuervo tequila, Lancers wine, Mountain Cadet wines, Truffles Liqueur de Chocolat: Goodby, Berlin & Silverstein, San Francisco. Colin Probert, mgmt super.

Christian Brothers Brandy: Waring & LaRosa, New York. Jerry Weisberg, mgmt super.

Parnod: D'Arcy Masius Benton & Bowles, New York. Dan Cole, acct super.

Hispanic adv: Smirnoff vodka, Lancers wine: UniWorld Group, New York. Winston Cooper, vp-mgmt super.

Black adv: Smirnoff Vodka: UniWorld Group, New York. Winston Cooper, vp-mgmt super.

RANK: 72

Hallmark Cards

Kansas City, Mo.

Ad spending: $146.8 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	2,878	3,508	(17.9)
Sunday magazine	6,445	14,235	(54.7)
Newspaper	3,616	6,599	(45.2)
Outdoor	1	1	12.5
Network TV	56,628	43,292	30.8
Spot TV	6,317	3,851	64.0
Syndicated TV	8,877	5,320	66.9
Cable TV networks	658	824	(20.2)
Network radio	1,552	2,998	(48.2)
Spot radio	33	1,294	(97.4)
Measured media	87,005	81,917	6.2
Unmeasured	59,800	56,300	6.2
Total	146,805	138,217	6.2
By top brands	**1990**	**1989**	**% chg**
Hallmark stationery	71,641	62,039	15.5
Hallmark Christmas ornaments	7,118	5,205	36.7

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	2,500	2,500	0.0
Earnings	NA	NA	NA

CORPORATE PROFILE

Hallmark Cards is dealing itself into more ventures as it continues to grow beyond the mature greeting card market.

Although it remains the No. 1 card marketer in the $5.6 billion greeting card industry with a 45% market share, that business is relatively stable.

To compensate, Hallmark continues to build through acquisition. This year, the company bought a Dutch greeting card company and acquired more U.S. TV and radio interests.

The Shoebox Card line got its second short promotion in as many years this August. Hallmark brought out a version of its Just How I Feel card line to welcome back military personnel from the Persian Gulf War.

This holiday season Hallmark also is expanding substantially its line of holiday home decorating supplies, including more ribbons, bows and ornaments.

Mixed results came from several tests of new in-store products in 1990.

Hallmark last month ended a test of selling fresh flowers in a limited number of its 200 company-owned stores. Hallmark said it's now considering offering fresh flowers only in certain stores for holiday sales in 1992.

Its test of the Personalize It! in-store computerized greeting card service was successful, and Hallmark is rolling out the service in 11 Western states this month.

Hallmark this year discontinued the Gift of Choice customized gift catalog program it had been testing in 1990, citing unsuccessful results.

Last March, the privately held company acquired a 98% interest in Crown Media, a new subsidiary it will use to acquire and operate communications properties including cable TV systems, broadcast TV and radio stations, and niche publishing companies.

In August, Crown made its first acquisition, buying several cable TV systems in Wisconsin.

HEADQUARTERS

Hallmark Cards/2501 McGee Trafficway/P.O. Box 419580/Kansas City, Mo. 64141-6580/Phone: (816) 274-5111.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Thomas H. Johnston, grp vp-Hallmark brand; Laurie Beeson, vp-mktg, Hallmark brand; Robert Firnhaber, grp vp-Ambassador brand; Lanny Julian, vp-sales/retail devel; Homer Evens, vp/pres-Hallmark cards prod div; Buddy Price, vp-Hallmark specialty prods div; Mark Hood, div vp-Ambassador prod devel; Brad Moore, div vp-adv/promo; Ira Stolzer, adv dir.

Hallmark cntl adv: Leo Burnett USA, Chicago. Jim Thompson, exec vp-acct dir.

Hallmark retailer adv programs, Ambassador cards: Valentine-Radford, Kansas City, Mo. Greg Kirsch, vp-acct grp super.

RANK: 54

Hasbro Inc.

Pawtucket, R.I.

Ad spending: $191.8 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	5,320	8,124	(34.5)
Sunday magazine	0	110	NA
Newspaper	0	282	NA
Network TV	52,217	42,424	23.1
Spot TV	63,024	86,881	(27.5)
Syndicated TV	24,340	37,426	(35.0)
Cable TV networks	11,143	7,816	42.6
Spot radio	24	0	NA
Measured media	156,068	183,063	(14.7)
Unmeasured	35,700	41,900	(14.8)
Total	191,768	224,963	(14.8)
By top brands	**1990**	**1989**	**% chg**
Hasbro toys	35,519	49,259	(27.9)
Milton Bradley games	27,299	25,443	7.3
Playskool toys	23,941	25,421	(5.8)
Coleco toys	8,791	7,040	24.9

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	1,520	1,410	7.8
Earnings	89	92	(3.2)
U.S.	**1990**	**1989**	**% chg**
Sales	939	954	(1.6)
Operating profit	64	100	(36.6)
Tonka sales	**1990**	**1989**	**% chg**
Sales	789	871	(9.4)
Earnings	(44)	6	NA

CORPORATE PROFILE

Hasbro is indisputably the biggest kid on the block in the $13.5 billion toy industry, following its May 1991 acquisition of troubled Tonka Corp.

The buyout provides Hasbro with an entire shelf of new toys that should improve its bottom line considerably.'

The $486 million deal brought together all of Tonka, Parker Bros. and Kenner Products' toys and games with the toy marketer's existing Hasbro, Playskool and Milton Bradley brands.

Tonka lost $44 million in 1990, com-

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pared with a gain of $5.7 million the previous year. Sales were $788.5 million, down 9.4%.

Tonka's media advertising dropped 31.3% to $50.8 million in 1990, compared with an 11.4% decline to $105.2 million at Hasbro. Spending in both 1989 and 1990 by the two companies has been consolidated in this report. The buyout by Hasbro brings its annual sales to more than $2 billion, a 14.8% share of the toy industry. It puts significant distance between Hasbro and archrival Mattel.

In August, the $6 million to $8 million broadcast TV account for Tonka's trucks and WWF Wrestling Buddies toys was consolidated at Griffin Bacal, the main agency for Hasbro brands. Grey Advertising, New York, previously handled Tonka. More agency consolidation is likely.

Hasbro's well-received Baby Uh-Oh from 1990 is being followed by Baby Oh-No and Baby Wanna Walk, two new special-feature dolls.

The Cabbage Patch Kids line has been broadened to include a battery-operated talking version; the special occasion Birthday Kids dolls include Preschool Kids, Kissin' Kids and Babyland Bunny.

HEADQUARTERS

Hasbro Inc./1011 Newport Ave./Pawtucket, R.I. 02861/Phone: (401) 727-5000.

PERSONNEL, BRANDS, AGENCIES

HASBRO BIY: Duncan Billing, sr vp-mktg; Ron Kos, sr vp-mktg svcs; Kirk Bozigian, vp-mktg, boys' toys; Jeanie Olsen, vp-mktg, girl's toys.

Hasbro toys, Tonka toys: Griffin Bacal, New York. Paul Kurnit, exec vp-creative dir.

Cabbage Patch Kids, My Little Pony: Jordan, McGrath, Case & Taylor, New York. Pat McGrath, pres; Don Weir, exec vp-girls' toys/Cabbage Patch Kids/boys' toys.

PLAYSKOOL BIY: Sh[illegible] Hartley, vp-mktg; Greg Miller, assoc vp-m[illegible] Gina Beebe, assoc vp-mktg.

Playskool toys: Griffin Bacal, New York. Paul Kurnit, exec vp-creative dir.

Print adv-Playskool: Kidvertisers, New York. Larry Nunno, acct dir.

PLAYSKOOL BABY BIY: Bob Stebenne, pres; Jonathan Breiter, vp-mktg.

Playskool baby products: Griffin Bacal, New York. Paul Kurnit, exec vp-creative dir.

MILTON BRADLEY BIY: Dale Siswick, sr vp-mktg; Gary Bergmann, vp-mktg; Cathy Meredith, assoc vp-mktg svcs.

Milton Bradley games: Griffin Bacal, New York. Paul Kurnit, exec vp-creative dir.

KENNER, PARKER BROTHERS BIVS:

Kenner Products, Parker Brothers: Grey Advertising, New York. Steve Dammers, Lou Maloof, exec vps-mgmt reps.

RANK: 3[illegible]

H.J. Heinz Co.

Pittsburgh

Ad spending: $307.9 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	15,938	20,358	(21.7)
Sunday magazine	1,919	2,122	(9.6)
Newspaper	7,321	5,305	38.0
Outdoor	60	42	42.3
Network TV	53,255	61,329	(13.2)
Spot TV	29,505	26,706	10.5
Syndicated TV	16,531	27,153	(39.1)
Cable TV networks	2,259	3,789	(40.4)
Network radio	5,261	430	1,124.7
Spot radio	2,178	1,997	9.1
Measured media	134,227	149,231	(10.1)
Unmeasured	173,700	193,100	(10.0)
Total	307,927	342,331	(10.0)
By top brands	**1990**	**1989**	**% chg**
Heinz condiments	23,678	27,112	(12.7)
Ore-Ida vegetables	22,170	18,012	23.1
Weight Watchers frzn dinners	21,503	17,204	25.0
Weight Watchers Int'l	21,451	17,355	23.6
Weight Watchers desserts	6,150	8,542	(28.0)
9-Lives cat food	5,591	13,443	(58.4)
Heinz sauces	5,018	5,861	(14.4)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	6,647	6,086	9.2
Earnings	568	504	12.6
U.S.	**1990**	**1989**	**% chg**
Sales	3,863	3,780	2.2
Operating income	542	567	(4.5)

CORPORATE PROFILE

Competition in key categories, particularly weight loss and pet food, consumed H.J. Heinz Co.'s energies in its latest fiscal year.

Total marketing dollars weighed in at $816.1 million worldwide, up 6.3%, for the fiscal year ended May 1. Media spending in the U.S., down 10% to $134.2 million, covers calendar 1990.

This June, Heinz consolidated its Weight Watchers retail foods businesses into Weight Watchers Foods Co. Weight Watchers' weight-loss business remains part of Weight Watchers International.

Weight Watchers products, which received nearly $56 million in measured media support in 1990, down 9.7%, found intense competition in many categories.

In the hotly contested $3.4 billion total frozen-entree/dinner market, Weight Watchers stepped up media support for frozen entrees to $18 million. However, that 30% increase couldn't stem a 5-point slide to 6% in the fourth calendar quarter from 11% in the first, according to Information Resources Inc.'s InfoScan figures. For all of '90, Weight Watchers had an 8.2% share.

Weight Watchers responded to a push by ConAgra's Healthy Choice by reformulating its products to include lower cholesterol, salt and fat levels, and then refocusing marketing. Advertising shifted from the medicinal "We should have called them health watchers" TV campaign to focus on taste and variety.

Weight Watchers reformulated its entire ice milk line to be fat-free.

Weight Watchers International, with $1 billion in sales, [illegible] the $8.2 billion overall weight-l[illegible] business in the U.S. (including hospital programs) with a 12.2% share, according to Find/SVP.

The unit in July moved its $30 million account to Earle Palmer Brown Cos. from DDB Needham. A new campaign for the diet system will start this fall.

Heinz USA spent $13 million in a summerlong ad and promotion campaign for its flagship ketchup in 1991. The company hiked marketing support 25% from last summer's spending on ketchup, part of a $100 million increase (up 25%) in tis worldwide marketing budget.

Heinz's Ore-Ida Foods last year introduced two new varieties to its fried potato line: Golden Twirls and Zesties french fries. Ore-Ida potatoes now command a 47% share of the retail package-potato market.

Heinz Pet Products Co. dropped to No. 4 from No. 3 last year in the total $7 billion pet food category, behind Ralston Purina Co., Nestle's Carnation and Mars' Kal Kan lines. While Heinz's share slipped to 11.2%, Kal Kan rose to 12.4% on the strength of its new Pedigree dog food. Heinz made its first entry into the $300 million superpremium canned dog food segment last October with the rollout of Reward.

HEADQUARTERS

H.J. Heinz Co./P.O. Box 57/Pittsburgh, Pa. 15230-0057/Phone: (412) 456-5700.

PERSONNEL, BRANDS, AGENCIES

HEINZ USA: Consumer Products Mktg: Jeff Conner, Paul Olson, gms. Package Goods: Ben Fisher, vp; Bob Roussey, genl bus mgr; Barb Behrman, [illegible]. Foodservice: Jeff Berger, vp; Hank Lockard, gm. Technical Services: Doug Haines, vp; Mary Ann McCollough, gm-mktg svcs; Mark Shain, mgr-adv svcs.

Heinz Ketchup, Homestyle Gravy, Specialty Sauces, Rose Exot: Leo Burnett USA, Chicago. Sean Harrington, acct dir; John Hillman, acct exec.

Heinz 57 Sauce, Heinz Barbecue Sauce, Heinz Worcestershire Sauce, A1A1: Ketchum Advertising, Pittsburgh. Mark Hurst, dir-client svcs.

Heinz Vinegar: Regen Shore Inc., Scotch Plains, N.J. Ian Shore, ceo.

Chico San Rice Cakes: Hill, Holliday, Connors, Cosmopulos, Boston. Kathleen Driscoll, acct vp-grp head.

STARKIST SEAFOOD CO.: John A. Heil, vp-mktg/-sales; Mark Kr[illegible], gm-trade mktg; Vince Daukas, prod mgr-trade mktg; Ray L. Wilkerson, gm-consumer mk[illegible]; Tom Brancky, mktg mgr-new bus devel; Matt Christenson, mktg mgr-light meat retail; Mary Kay Lee, prod mgr-albacore retail; Tom E. Sanford, gm-mktg/sales svcs; Bob Worsham, gm-special accounts/Canada; Don Gallag[illegible], gm-retail sales; Joe P. Clancy, natl sales m[illegible]

Leo Burnett USA, Chicago. Jeff Herscovitz, vp-account dir.

ORE-IDA FOODS: Geoffrey V. Supko, vp-coo, Ore-Ida prods; J. Patrick Kinnay, vp-foodservice; Michael J. Tyler, gm-mktg; M. Vince Shaar, gm-sales; Jack L. Samaras, gm-new b[illegible]s; Martin V. Thomas, mktg svcs.

DDB Needham Worldwide, New York. Lucille Schwartz, [illegible] super.

WEIGHT WATCHERS INTERNATIONAL: Barbara Warmflash, vp-mktg/devel; Wayne Perra, gm-field mktg; Linda Webb, gm-brand comms.

Earle Palmer Brown Cos., Bethesda, Md. Claire Geier, vp-acct grp dir.

WEIGHT WATCHERS FOOD CO.: Francis Florido, vp-frozen foods mktg; Lois Brown, gm-frozen foods mktg; Jay Abraham, gm-dry/dairy/novelty mktg; Linda Webb, gm-brand comms.

Weight Watchers Frozen Foods—entrees, breakfasts, desserts: DDB Needham Worldwide, N.Y. Rein Luik, exec vp/dir-client svcs.

Weight Watchers dry grocery, dairy, novelties, Grand Collection: Ally & Gargano, N.Y. Jim Hanzlik, sr vp-mgmt dir.

HEINZ PET PRODUCTS: Mike Milone, vp-mktg; Brian Mirsky, gm-cat food; Joe Roxstrom, gm-dog food; Ed Uebele, prod mgr, 9-Lives Crunchy Meals cat food; Rand Harbert, prod mgr, 9-Lives Tender Meals/Treats for cats; Mike Katz, prod mgr, 9-Lives Canned/Lean Entrees cat food; Chris Connolly, prod mgr-Amore cat food; Sue Dehner, prod mgr-Skippy Premium/Recipe dog food; David Rosenthal, prod mgr-Reward dog food; David Rhode, prod mgr-Meaty Bone dog biscuits; Marty Koppenhafer, prod mgr-Jerky Treats soft/chewy treats.

Reward dog food, Jerky Treats, Meaty Bone dog biscuits: Leo Burnett USA, Chicago. Rishad Tobaccowala, vp-acct super.

Skippy Premium dog food, Reward dog food: Goodby, Berlin & Silverstein, San Francisco. Debbie Nelson, acct super.

Media buying & planning: Skippy Premium dog food, Reward dog food: Media That Works, Cincinnati. Allison Hoffman, Beverly Rains, acct mgrs.

Amore cat food, 9-Lives cat food: Leo Burnett USA, Chicago. Rishad Tobaccowala, vp-acct super.

RANK: 73

Helene Curtis Industries

Chicago

Ad spending: $145.4 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	23,109	16,540	39.7
Sunday magazine	65	0	NA
Newspaper	10	0	NA
Outdoor	310	0	NA
Network TV	56,623	37,343	51.6
Spot TV	1,379	1,014	36.1
Syndicated TV	11,747	5,804	102.4
Cable TV networks	2,408	1,225	96.5
Spot radio	568	102	458.6
Measured media	96,218	62,027	55.1
Unmeasured	49,200	31,700	55.2
Total	145,418	93,727	55.2
By top brands	**1990**	**1989**	**% chg**
Degree solid antiperspirant	19,903	0	NA
Finesse shampoos	19,157	3,301	480.4
Helene Curtis shampoos	14,444	15,527	(7.0)
Helene Curtis	13,368	916	1,359.7
Suave antiperspirants	7,342	7,298	0.6
Finesse hair products	7,161	3,961	80.8
Suave shampoos	5,266	5,111	3.0

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	867	691	25.5
Earnings	7	18	(62.9)
U.S.	**1990**	**1989**	**% chg**
Sales	640	534	19.8
Operating profit	45	49	(8.6)

CORPORATE PROFILE

The recession hasn't hurt Helene Curtis' sales growth, thanks to the successful launch of Degree antiperspirant and growth of its budget-price Suave personal-care line.

The estimated $50 million ad budget of Degree helped the heat-activated antiperspirant grab a 5.5% share of the $1.1 billion category within a year of its November 1989 launch, according to Kidder, Peabody & Co. figures.

Degree's launch follows Curtis' establishment of Suave antiperspirant, with a 3% share.

The company declared this July "Suave Month" and launched a $12.9 million marketing campaign for the personal-care line. The $5.1 million ad budget covers a heavier than usual TV and print schedule.

Two FSIs, a brochure with tips for living on a budget and extensive in-store merchandising were included.

Suave increased its share of the U.S. shampoo market to 8% by the fall of 1990 up from 7.5% at the beginning of the year, according to Kidder, Peabody. Curtis' other two big shampoos, Finesse and Salon Selectives, claim 4.5% and 4% shares, respectively.

To cash in on the shampoo-and-conditioner craze created by the success of Procter & Gamble's Pert Plus, Curtis launched Suave Shampoo Plus Conditioner in January.

The new products may have helped the company reach record sales of $867 million, but earnings suffered during 1990. The expense of introducing new products such as Degree in the U.S. and the sluggish economy hurt earnings as well as the shift in international sales, which increased the company's tax rate.

HEADQUARTERS

Helene Curtis Industries/325 N. Wells St./Chicago, Ill. 60610/Phone: (312) 661-0222.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Richard Frank, vp-mktg.

Suave: Bayer Bess Vanderwaker, Chicago. Dick Corelitz, exec vp.

Degree, Finesse, Salon Selectives: Saatchi & Saatchi Advertising, New York. Paula Forman, exec vp-exec mgmt dir.

RANK: 32

Hershey Foods Corp.

Hershey, Pa.

Ad spending: $338.7 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	8,417	9,210	(8.6)
Sunday magazine	467	626	(22.1)
Newspaper	366	31	1,080.6
Outdoor	14	74	(80.8)
Network TV	52,220	41,454	26.0
Spot TV	18,822	12,957	45.3
Syndicated TV	14,458	13,938	3.7
Cable TV networks	3,696	3,306	11.8
Network radio	8,858	9,187	(3.6)
Spot radio	1,339	2,560	(47.7)
Measured media	106,680	93,342	16.4
Unmeasured	230,000	197,600	16.4
Total	336,680	290,942	16.4
By top brands	**1990**	**1989**	**% chg**
Hershey candies	39,124	30,888	26.7
Peter Paul candy bar	10,516	11,206	(6.2)
Reeses candies	9,666	6,828	41.6
Kit Kat candy bars	7,601	8,724	(12.9)
Cadbury candy	7,345	4,014	83.0
5th Avenue candy bar	7,038	8,160	(13.8)
York candy	5,188	6,629	(21.7)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	2,716	2,421	12.2
Earnings	216	171	26.2
U.S.	**1990**	**1989**	**% chg**
Sales	2,509	2,236	12.2
Income from operations	344	307	12.3

CORPORATE PROFILE

Hershey Foods Corp. has slowed its flow of major new national products in 1991 after generating record-setting sales and profits in 1990 that came amid reduced media spending.

This year Hershey has released its Desert Bar, a heat-resistant chocolate bar that was distributed to troops in the Persian Gulf. Plans for its future are under review.

Other new products headed for national introduction this year include new flavors for the Chocolate Bar Flavor Puddings and Chocolate Shoppe Toppings lines, and three new items for home bakers: Hershey's Butterscotch baking chips, Hershey's Holiday Vanilla Milk Chips in red, green and white, and Hershey's Sweetened Coconut Flakes.

Volume growth from Hershey Chocolate Bar Flavor Puddings, which completed their national rollout this year, and the Hershey Pasta Group more than made up for lower candy sales in 1991's first half, according to Hershey. Candy volume was hurt by a price hike in the chocolate bar price.

Hershey has been No. 1 among U.S. candy marketers since the Peter Paul/-Cadbury purchase in 1989. In 1990, retail sales of Hershey chocolate candy products through supermarkets were up 10%, according to Information Resources' InfoScan. Hershey was credited with a 42.8% share of the $1.35 billion market (in retail dollars) compared with Mars Inc.'s 34.5%.

The lead over Mars is smaller—39.7% to 38%—for chocolate products sold through candy and tobacco distributors, another important distribution channel, according to data for the year ended May 1991 from ICC Accutracks.

Recent additions include Hershey's Kisses with Almonds, introduced in August 1990, and Hershey's Chocolate Bar Flavor Puddings, now national following a late 1989 introduction. Hershey's chocolate drink in an aseptic package entered national distribution in January 1990.

In the $200 million retail refrigerated pudding category, Hershey's Chocolate Bar Flavor Puddings held a 12% share in 1990 before the brand was fully national, according to InfoScan. By the close of the first quarter of 1991, its share had expanded to 16%, it reported.

Caramello, a regional candy bar acquired in the Peter Paul/Cadbury purchase, was taken national in early 1990.

Hershey's purchase of the Ronzoni pasta business from Kraft General Foods moved Hershey Pasta Group in 1990 to a 25% share of the $1.01 billion retail pasta category, according to InfoScan. That was only three share points behind category leader Borden. Separately, Perfection pasta, a microwave pasta product, was withdrawn in 1990.

In the $160 million retail chocolate syrup/-toppings category, Hershey's genuine chocolate flavor syrup held a 43% share in 1990 and the new Chocolate Shoppe line a 3% share, according to InfoScan. In the $376 million baking chocolate, chip and cocoa category, Hershey held an 18% share, ahead of No. 3 Baker's (12.7%) but well behind Nestle/Toll House (51%).

HEADQUARTERS

Hershey Foods Corp./14 E. Chocolate Ave./P.O. 814/Hershey, Pa., 17033-0814/Phone: (717) 534-4000.

PERSONNEL, BRANDS, AGENCIES

HERSHEY CHOCOLATE U.S.A.: Jay F. Carr, vp-mktg; Anthony J. Pingitore, gm-special mkts; Michael H. Holmes, gm-grocery.

Cadbury products, Hershey's toppings, Hershey's chocolate flavored syrup, Hershey's chocolate milk mix, Hershey's Chocolate Bar Flavor puddings, Kit Kat bar, Rolpa menthol-mint cough drops, Luden's throat drops, Bit-O-Honey, Reese's Pieces, Glor toffee bar, Whatchamacallit bar, Y&S candies, York peppermint patties, Symphony candy bars: DDB Needham Worldwide, New York. Peter Tate, exec vp.

Bar None, Big Block bars, assorted shapes, 5th Avenue Bar, Giant Kiss, Golden Almond bar, Golden Almond [illegible]

Solitaires, Hershey's Kisses, Hershey's Kisses with almonds, Hershey's milk chocolate bar, Hershey's milk chocolate bar with almonds, Krackel bar, Hershey's baking chocolate, Hershey's chocolate chips, Hershey's cocoa, Hershey's Miniatures, Almond Joy, Mounds, Reese's peanut butter cups, Reese's crunchy peanut butter cups, Reese's peanut butter chips, Reese's Miniatures, Bolo: Ogilvy & Mather, New York. Michael Vaughn, sr vp-exec grp dir.

HERSHEY PASTA GROUP: Clifford K. Larsen, vp-mktg; Gary Lauerman, dir-mktg svcs.

American Beauty, Delmonico, Light 'n Fluffy, Pastamania, Perfection, P&R, San Giorgio, Skinner: Weightman Inc., Philadelphia. John McGeehan, acct super.

Ronzoni: Pedone & Partners, New York. Jim Coakley, acct super.

RANK: 36

Honda Motor Co.

Tokyo

Ad spending: $318.0 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	61,291	56,656	8.2
Sunday magazine	846	926	(8.6)
Newspaper	10,563	7,884	34.0
Outdoor	813	264	207.8
Network TV	118,989	101,013	17.8
Spot TV	22,256	27,803	(20.0)
Syndicated TV	4,051	710	470.4
Cable TV networks	5,785	5,074	14.0
Network radio	0	44	NA
Spot radio	6,913	17,161	(59.7)
Measured media	231,507	217,534	6.4
Unmeasured	86,500	81,300	6.4
Total	318,007	298,834	6.4
By top brands	**1990**	**1989**	**% chg**
Honda cars	115,367	96,874	19.1
Acura cars	100,663	88,127	14.2
Honda motorcycles	9,848	10,139	(2.9)

SALES & EARNINGS ($ in millions)

Worldwide	1991	1990	% chg
Sales	30,507	27,326	11.6
Earnings	541	579	(6.6)
Division sales	**1991**	**1990**	**% chg**
Automotive	24,650	22,630	8.9
Motorcycles	3,756	2,905	29.3
Power equipment	2,102	1,790	17.4

CORPORATE PROFILE

After a decline in worldwide sales in 1990, Honda Motor Co. pledged it would go "back to the basics" in auto marketing. That means beefing up its limited product line while streamlining its operating divisions.

American Honda Motor Co., its U.S. subsidiary, posted record 1990 sales despite weakening in the compact segment.

U.S. unit sales of Honda in 1990 were 854,879 cars, including 138,384 of the luxury Acura models and 464,118 U.S.-built Accord and Civic cars, up 9.2%. This represented a 6.2% share of the total U.S. car/truck market, up from 5.4%, according to *Automotive News*.

Honda sold more than 950,000 [illegible]ars in North America, or more than two cars for every one sold in Japan. It's aiming for 1 million units in 1991.

Honda's Accord accounted for total sales of 417,179 imported and U.S.-built cars, up 15%. For the second straight year, Accord was the best-selling car in the U.S.

The Honda lineup for 1991 included the Accord station wagon introduced in December. Honda expects to sell about 30,000 of the U.S.-built wagons in this country this year.

Going into the 1992 model year, Honda promised to re-establish momentum in the marketplace with a variety of all-new models. A new CRX sports model will bow next spring, but the big news was a new "breakthrough" car engine to be offered in the 1992 Civic models. The engine is EPA-rated at 48 mpg in the city and 55 mpg highway.

Measured media figures for 1990 show the Honda Accord with the biggest share of the corporate ad dollar, with an expenditure of $41 million, down 8.9%. Civic models accounted for an estimated $33 million, up 26%, and the CRX was pegged at $10 million, up 104%.

The Acura line of luxury autos claimed total media expenditures of $100 million, up 14%. LNA/Arbitron numbers for specific Acura products show the top-of-the-line Legend accounting for about $47 million in spending, up 17.5%, followed by the Integra at $29 million, down 22.5%, and the specialty NSX sports model around $12 million.

The April debut of the 1992 Acura Vigor, priced between $22,000 and $27,000, is expected to give the line additional momentum. Vigor will go head-to-head with the entry-level ES 250 Lexus, Mercedes-Benz 190E, BMW 325i and Mitsubishi Diamante, among others.

For 1991, Acura advertising focused on the line's performance, elegance and reputation for customer satisfaction. For the

the J.D. Power & Associates Customer Satisfaction Index.

Honda continued to maintain a small lead in the shrinking motorcycle market, finishing 1990 with a 29.4% share, up slightly from 29.3%. Nippon Gakki Co.'s Yamaha brand holds second place at 23.2%, followed by Harley-Davidson at 17.4%, Kawasaki Heavy Industries at 15.9% and Suzuki Motor Co. at 14.3%.

Honda motorcycles accounted for an estimated $6.6 million in media expenditures in 1990, up 10%. Honda scooters and ATVs (all-terrain vehicles) combined for another $4 million outlay.

Last month, Soichiro Honda, founder of Honda Motor Co., died at age 84.

HEADQUARTERS

American Honda Motor Co./100 W. Alondra Blvd./Gardena, Calif. 90247/Phone: (213) 783-3000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Honda autos: T. Okusa, exec vp. Acura: Edward R. Taylor, vp-sales; Eric Conn, sr auto adv mgr. Honda Motorcycle Div: John Petas, sr vp; Ray Blank, asst vp-mktg; Wayne Toyota, natl adv mgr. Honda Power Equipment Div: Shoichi Tanaka, Terry Mulligan, sr vps; John Lally, adv mgr.

Honda power equipment brands: Fahlgren Martin, Atlanta. Karen Estridge, acct super.

Honda autos: Rubin Postaer & Associates, Los Angeles. Chuck Valentine, sr vp-grp acct dir. Hispanic mktg: La Agencia de Orci, Los Angeles. Roberto Orci, sr vp.

Acura autos: Ketchum Advertising, Los Angeles. Craig Mathiesen, pres.

Honda motorcycles, scooters, ATVs: Dailey & Associates, Los Angeles. Dean Thompson, vp-mgmt super.

RANK: 82

Hyundai Group

Seoul, S. Korea

Ad spending: **$135.3** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	17,765	16,407	8.3
Sunday magazine	37	36	1.1
Newspaper	1,373	2,143	(35.9)
Outdoor	511	517	(1.0)
Network TV	31,169	41,118	(24.2)
Spot TV	32,530	22,462	44.8
Syndicated TV	8,346	4,397	89.8
Cable TV networks	1,068	933	14.5
Spot radio	3,753	11,246	(66.6)
Measured media	96,552	99,259	(2.7)
Unmeasured	38,700	39,800	(2.8)
Total	135,252	139,059	(2.7)
By top brands	**1990**	**1989**	**% chg**
Hyundai cars	94,357	93,964	0.4

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	40,250	32,200	25.0
Earnings	93	53	75.5

CORPORATE PROFILE

Despite U.S. unit sales declines of more than 25% in the last two years, Hyundai Motor America continues to expand its limited product lineup while rebuilding a struggling dealer organization.

Hyundai Motor, the U.S. sales arm and largest subsidiary of South Korea's Hyundai Group, expects to add 75 dealers by yearend to boost its U.S. tally to 550.

Next month Hyundai will start selling its third nameplate, the Elantra, a European-style subcompact.

Priced below $10,000, the front-wheel-drive, four-door Elantra falls between Hyundai's low-end Excel, base-priced at $6,375, and Sonata, at $10,900. Hyundai's other car is the Scoupe sport coupe, introduced last fall.

Hyundai's U.S. car sales totaled 137,448 units for 1990, down 25%, led by sales of 100,590 Excel models. The upscale Sonata accounted for 29,840, followed by Scoupe at 7,018, from four months. Total sales gave Hyundai a 1% share of the U.S. car/truck market, down from 1.3%, according to *Automotive News*.

Hyundai spent $96.7 million on media advertising in 1990, down 2.7% from 1989. The biggest share was claimed by the upscale Sonata at $31.3 million, down 36.1% from 1989, its first full year on the market. Excel got $30 million, down 17.8%, and Scoupe, $26.1 million.

With advertising designed to redefine Hyundai as a multiproduct car marketer moving upscale, the Scoupe became the centerpiece of the repositioning program. Ads spoke of its dependability, durability, performance, styling and value.

TV advertising again accounted for the biggest share of media expenditures in 1990, reaching $73 million, including an estimated $9.5 million on syndicated and cable TV. Magazines accounted for $18 million, the largest print expenditure in company history.

Media estimates from LNA/Arbitron exclude $9.5 million spending by local dealers, mostly in newspapers, spot TV and outdoor.

HEADQUARTERS

Hyundai Motor America/10550 Talbert Ave./Fountain Valley, Calif. 92728/Phone: (714) 965-3500.

PERSONNEL, BRANDS, AGENCIES

HYUNDAI AUTOS: Rod Hayden, exec vp-coo; Thomas Ryan, vp-mktg; Robert Clucas, adv mgr.

Backer Spielvogel Bates Worldwide, Irvine, Calif. Robert Svete, vp-acct super.

RANK: 71

IBM Corp.

Armonk, N.Y.

Ad spending: **$148.7** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	23,917	34,647	(31.0)
Sunday magazine	677	1,756	(61.4)
Newspaper	13,788	14,301	(3.6)
Outdoor	42	33	26.7
Network TV	31,996	41,053	(22.1)
Spot TV	937	714	31.3
Syndicated TV	156	43	265.0
Cable TV networks	1,617	706	128.4
Network radio	3,045	3,704	(17.8)
Spot radio	1,131	5,422	(79.1)
Measured media	77,306	102,381	(24.5)
Unmeasured	71,400	94,500	(24.4)
Total	148,706	196,881	(24.5)
By top brands	**1990**	**1989**	**% chg**
IBM computers	70,969	91,765	(22.7)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	69,018	62,710	10.1
Earnings	6,020	3,758	60.2
U.S.	**1990**	**1989**	**% chg**
Sales	27,132	25,745	5.4
Net earnings	1,459	(325)	NA
Division sales	**1990**	**1989**	**% chg**
Processors	16,433	16,236	1.2
Peripherals	13,190	11,458	15.1
Personal workstations	9,644	8,409	14.7
Other workstations	4,312	4,169	3.4
Software	9,952	8,424	18.1
Maintenance svcs	7,758	7,070	9.9
Other info technology	5,791	4,938	17.3
Federal systems	1,928	2,006	(3.9)

CORPORATE PROFILE

IBM Corp. Chairman John F. Akers wrote in the company's annual report last January that 1990 "was a good year for IBM," with "encouraging" results boosted by "the strongest lineup of products and services in our history."

Then in March, the company stunned Wall Street by announcing its first-quarter earnings would be about half that anticipated by company followers. In June, IBM said its second-quarter earnings would be worse than even pessimistic company followers had thought.

In between came Mr. Akers' now-celebrated spleen-venting to company managers, leaked to the media, in which he lamented: "The fact that we're losing share makes me goddamn mad."

The world's biggest computer maker is struggling as never before. IBM has blamed the recession and the disruption of the Persian Gulf War for its woes, but industry followers—and Mr. Akers' tongue-lashing—suggest the company itself deserves a large part of the blame.

Among other things, IBM has taken longer than anticipated to introduce a new generation of mainframe computers.

The company has fared relatively well in midrange computers and its RS/6000 line of workstations has been growing rapidly. But in personal computers, the fastest-growing market segment, leaner and nimbler rivals have been cutting prices aggressively, effectively reducing the market to a commodity-like business.

For 1991, "we see essentially a drop off the cliff" for IBM's worldwide market share, said Randy Brophy, product manager for *Yardstick*, a Gartner Group market-share analysis publication.

Gartner forecasts a 21.9% worldwide hardware market share for IBM in 1991. That would be down from 23.5% last year and the lowest market share in IBM history, Mr. Brophy said.

In the cutthroat PC business, Gartner projects a 22.4% IBM market share this year, down from 23.5% in 1990.

IBM reduced ad spending last year, particularly in corporate advertising, where media outlays dropped 43% to $18.2 million. Spending on large computer systems also fell sharply, by 36% to $6.4 million.

Spending on PCs jumped, however, largely because of a $10.4 million media push for the PS/1, IBM's first computer designed for the home market since its ill-fated PC Jr.

IBM continues to move aggressively in the $25.7 billion PC market. In March, it used a heavy ad blitz to launch a notebook version of its successful PS/2, and in June it introduced a number of new PS/2 desktop models, including one based on Intel Corp.'s newest microprocessor, the 486SX.

In addition, the company is expected to promote vigorously the newest version of its operating software, OS/2, when it's introduced in the fourth quarter. Sales of the existing version have been hurt by the Microsoft Windows 3.0 software of Microsoft Corp., formerly IBM's partner in developing OS/2.

In perhaps its most significant recent move, IBM announced in July an agreement with rival Apple Computer to develop jointly a new PC standard to succeed the now incompatible IBM PC and Apple Macintosh. That arrangement isn't expected to bear fruit until late in the decade, however.

HEADQUARTERS

IBM Corp./Old Orchard Rd./Armonk, N.Y. 10504/Phone: (914) 765-1900.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Mary Lee Turner, vp-comms; William Harrison, dir-adv/promo.

U.S. MARKETING & SERVICES: James Garrity, dir-adv.

Desktop products (PS/2, PS/1, RS/6000), desktop software, notebook computers: Lintas:New York. Stephen Norcia, grp exec vp.

Corporate adv, marketing image adv, mainframes, telecommunications, AS/400 computers & software: Wells Rich Greene BDDP, New York. D. Sklaver, grp exec vp-dir, acct svcs.

SYSTEMS INTEGRATION SW: Susan Vucurevich, mgr-mktg comms.

System integration: Lord Dentsu & Partners, New York. Joe MacKenna, sr vp-mg dir, special mkts.

RANK: 83

ITT Corp.

New York

Ad spending: **$134.9** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	6,760	6,949	(2.7)
Sunday magazine	610	78	681.0
Newspaper	11,319	7,669	47.6
Outdoor	860	1,005	(14.4)
Network TV	8,917	5,014	77.9
Spot TV	10,256	9,953	3.0
Syndicated TV	0	2	NA
Cable TV networks	1,942	1,760	10.3
Network radio	1,635	1,277	28.0
Spot radio	397	333	19.3
Measured media	42,695	34,040	25.4
Unmeasured	92,203	94,500	(2.4)
Total	134,898	128,540	4.9
By top brands	**1990**	**1989**	**% chg**
Sheraton hotels	19,984	14,711	35.8
Corporate spending	9,986	6,997	42.7
ITT institutes	6,222	4,741	31.2

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	20,704	20,005	3.0
Earnings	1,056	927	13.9
U.S.	**1990**	**1989**	**% chg**
Sales	14,106	14,278	(1.2)
Income	514	800	(35.8)
Division sales	**1990**	**1989**	**% chg**
Automotive	2,916	2,645	10.2
Electronic components	1,110	1,087	2.1
Fluid technology	1,057	960	10.1
Defense technology	1,612	1,580	2.0
Forest products	1,118	1,102	1.5
Insurance	8,636	8,689	1.7
Finance	1,096	1,906	5.0
Communications & info svcs	973	754	29.0
Hotels	832	782	6.4
Equity in Alcatel NV	213	167	27.5

CORPORATE PROFILE

Sheraton Hotels may be in the right place at the right time. The ITT Corp. subsidiary, in a joint venture with other U.S. and Soviet interests, is to begin operating two hotels in Moscow by 1993, with further expansion planned for the Republic of Estonia.

The international chain, which attracted 47% of ITT's U.S. media advertising last year, is betting on such expansion and an improved world economy to rebuild operating profit, which fell 67% to $39 million in 1990.

Sheraton properties for the most part are owned independently of ITT and are operated by Sheraton under lease or management agreements. ITT's 1990 revenue from Sheraton was $832 million, up 6.4%. Under its lease/management agreements, Sheraton's revenues represented only 17.3% of $4.8 billion in sales generated by all hotels under its jurisdiction.

Although ITT's media expenditures rose 25.4% last year, the company spends about three times that budget in unmeasured areas, such as business-to-business advertising and direct mail.

In March, Sheraton introduced its "Sheraton Endless Weekend" program with reduced rates and other amenities for families. Last year it advertised "Sheraton Fundays" and "Summer Fundays" value-added promotions for mini-vacations. The company continued Sheraton Club International, its frequent traveler program. Much of this activity is outside media advertising.

Hartford Insurance cut media spending

TV'S #2 BEST KEPT SECRET

THE WEEKLY PBS SERIES *MOTORWEEK* OFFERS A WIDE RANGE OF OUTSTANDING SPONSOR BENEFITS. OUR COMPLETE MEDIA SYSTEM INCLUDES:

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last year 30% to $4.2 million but is expected to rebuild its budget in 1991. The company withdrew from consumer auto insurance markets in certain states in 1990.

HEADQUARTERS

ITT Corp./1330 Avenue of the Americas/New York, N.Y. 10019/Phone: (212) 258-1000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Juan C. Cappello, sr vp-government/corp relations & adv; Steven A. Erenburg, dir-corp comms.

Corporate adv: Wells Rich Greene BDDP, New York. Frank Sampogna, exec vp-acct grp head.

ITT HARTFORD INSURANCE GROUP: John J. Daly Jr., asst vp-creative comms.

Hartford Insurance: McCaffrey & McCall, New York. Winifred Barnes, sr vp-mgmt super.

ITT SHERATON CORP.: Robert F. Cotter, sr vp-mktg.

Sheraton hotels: Wells Rich Greene BDDP, New York. Frank Sampogna, exec vp-acct grp head.

RANK: 12

Johnson & Johnson

New Brunswick, N.J.
Ad spending: **$653.7** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	28,618	29,427	(2.7)
Sunday magazine	841	1,457	(42.3)
Newspaper	413	267	54.7
Outdoor	186	94	96.9
Network TV	230,818	179,410	28.7
Spot TV	20,333	15,944	27.5
Syndicated TV	35,790	19,150	86.9
Cable TV networks	9,827	7,127	37.9
Network radio	3,220	1,598	101.4
Spot radio	865	1,568	(44.8)
Measured media	330,910	256,042	29.2
Unmeasured	322,800	249,700	29.3
Total	653,710	505,742	29.3
By top brands	**1990**	**1989**	**% chg**
Tylenol pain reliever	91,745	76,488	19.9
Tylenol sinus capsules	42,544	20,857	104.0
Imodium AD	17,276	15,743	9.7
Stayfree feminine pdts	17,039	1,587	973.7
Reach toothbrushes	16,035	7,851	104.3
Acuvue contact lenses	11,715	9,397	24.7
Serenity Shield biddr cntrl	11,263	3,088	265.4
Johnson's shampoos	10,040	11,871	(15.4)
Johnson's powders	9,756	5,539	76.1
Band-Aid bandages	8,063	10,124	(20.4)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	11,232	9,575	17.3
Earnings	1,143	1,082	5.6
U.S.	**1990**	**1989**	**% chg**
Sales	5,427	4,881	11.2
Operating profit	904	699	29.3
Division sales	**1990**	**1989**	**% chg**
Consumer	4,212	3,915	7.6
Pharmaceutical	3,303	2,652	24.5
Professional	3,717	3,190	16.5

CORPORATE PROFILE

Johnson & Johnson has shown with Tylenol how one can cut the cake many ways.

The multipurpose brand now represents a leading 30% of the $2.7 billion analgesic market and 40% of sales at Johnson & Johnson's huge U.S. consumer products segment. It spawned Tylenol Cold & Flu version last October, followed this April by Tylenol P.M., a sleep aid.

Added to late 1989 or early 1990 entries—Tylenol Cold, Tylenol Cold Night Time and Tylenol Allergy Sinus Medication—the Tylenol extensions helped push overall spending on the brand to $134.3 million, up 38%. The added-value entries have virtually rendered obsolete Tylenol "regular" strength, the old standby that received less than $100 in first-quarter 1991 ad support.

Media spending for the new Tylenol lines is expected to nearly double in 1991. An estimated $23 million in advertising will be spent on new Tylenol P.M. alone this year.

The Merck-Johnson & Johnson Consumer Pharmaceuticals Co. joint venture produced its first splash in 1990 with Mylanta antacid products. Mylanta drew $25.9 million in media spending, up 173%. The product held 11.7% of the $970 million antacid market in supermarkets and drugstores in April 1990.

Johnson & Johnson's position as leader in the $400 million baby toiletries market weakened as new competitors entered the field and No. 2 Mennen Co. and No. 3 S.C. Johnson & Son made aggressive pushes.

Johnson & Johnson over time has lost its lead in the baby bath segment, holding a 24% share to Mennen's 63%. And Mennen is creeping up on Johnson & Johnson's hold of the baby lotion segment, with a 40% share to Johnson & Johnson's 43%. Johnson & Johnson holds more than 50% of the $89 million baby shampoo market.

Johnson & Johnson's share of the general shampoo market slipped to 3.3% from 4.3% in 1989; ad spending fell 15.4% to $10 million.

The company leads the $88 million baby powder segment with a 63% share, and the $70 million baby oil segment with a 42% share.

Johnson & Johnson this April introduced Johnson's Baby Sunblock with a "No more tears" formula and an estimated $1 million in ad support. Spending for Sundown Sunblock plunged 93% to $216,000.

In 1990, Johnson & Johnson spent $24.6 million in measured media for its baby toiletries, up 17%. The company in 1990 ran spots using the tune "Take Good Care of My Baby" and positioning products for adult, child and infant use.

Johnson & Johnson jumped on the green bandwagon with advertising for o.b. non-applicator tampons. A $2 million effort helped boost Johnson & Johnson's unit share to 8.6% at the end of 1990, up 0.6 percentage points from the year before, even though ad spending was down 41.5%.

The Advanced Care Products division in March 1991 introduced Monistat 7 as an OTC yeast infection remedy, spending $15 million in its first three months.

Johnson & Johnson's McNeil Specialty Products Co. is waiting for FDA approval of its first product: sucralose, a non-caloric sweetener.

HEADQUARTERS

Johnson & Johnson/1 Johnson & Johnson Plaza/New Brunswick, N.J. 08933/Phone: (908) 524-0400.

PERSONNEL, BRANDS, AGENCIES

CHICOPEE: D.M. Lehman, vp-mktg, specialty products div; R.I. Munoz, vp-mktg, affiliate div.
ST&L Associates, New Brunswick, N.J. Howard Rich, acct exec.

CORDAN & SHURTLEFF: A.D. Stewart, vp-mktg; D.G. Williams, mgr-mktg comms.

Surgical equipment & supplies: Chaifin, Kostopulos & Gilmore, Boston. Barry Chaifin, acct exec.

ETHICON INC.: D.R. Murray, grp vp-suture/pharmacology prods; J.J. Bohan, vp-mktg, suture/pharmacology prods; D.M. Clapper, vp-mktg, endoscopic/mechanical prods.

Sutures, stapling & endoscopy products, adhesion prevention products: Kallir, Phillips, Ross, New York. James Linzer, sr vp-mgmt super. Simms & McIvor, Somerville, N.J. Gene Hollen, exec vp-acct exec.

JOHNSON & JOHNSON CONSUMER PRODUCTS: P.S. Michaels, vp-mktg; J.J. Gallagher, vp-sales.

Johnson & Johnson's: Baby Lotion, Baby Powder, Baby Oil, Baby Shampoo, Baby Sunblock, Cream, Baby Washcloths, Medicated Diaper Rash Ointment, Dental Floss; Shower to Shower; Band-Aid Brand Bandages; Purpose; Act Fluoride Rinse; Reach; E-Y Jelly: Lintas:New York. Ned Russell, mgmt super. Young & Rubicam, New York. Claudia Rose, mgmt super. Cadwell Davis Partners, New York. Julie Treacy, mgmt super.

JOHNSON & JOHNSON MEDICAL: J.R. Maly, vp-mktg/sales, medical specialties div; J.D. Terry, vp-mktg/sales, sales admin; R.S. Tice, vp-mktg/sales, Surgikos Div.

Surgical packs & gowns, custom trays, wound care products, medical & surgical gloves, wearing apparel, disinfecting & sterilizing products, hemostasis products: Pierce-Davis & Associates, Arlington, Texas. Bill Pierce, pres.

MCNEIL CONSUMER PRODUCTS CO.: J.T. Lenehan, pres; B.D. Perkins, vp-mktg; S.J. Fanning, vp-sales; G.A. Clements, dir-professional sales/mktg; E.C. Watson, dir-pr; G.E. Griffiths, dir-sales promo/comms.

Advil Tylenol, Children's Tylenol, Tylenol Cold, Tylenol Sinus, Children's Tylenol Cold: Saatchi & Saatchi, New York. R. Pounder, exec vp [illegible] dir.

Imodium A-D, Lactaid: Lintas:New [illegible] J. Fine, exec vp.

PediaCare: Cadwell Davis Partners, New York. F. Cadwell, pres.

Sesame Street Vitamins: Susan Spindler Advertising, Weston, Conn. S. Spindler, pres.

Stac-Aid: Barrie Curtis Spies Creative Services, New York. B. Spies, pres.

Professional adv: Advil Tylenol, Children's Tylenol, Imodium A-D, PediaCare, PediaProfen, Tylenol Sinus: Kallir, Philips, Ross, New York. Kerri Hale, sr vp-mgmt super.

Lactaid: RWR Non-Prescription Advertising, New York. LeeAnne Pilson, sr vp-dir client svcs.

Clearasil: Klemtner Advertising, New York. Michael Trepicchio, exec vp-dir client svcs.

Hispanic advertising: Mendoza, Dillon & Asociados, Newport Beach, Calif. M. Gerdes, sr vp.

MCNEIL PHARMACEUTICAL: C.E. Williams, vp-prod mgmt; J.C. Vaughan, vp-sales; T.L. Feldman,

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natl sales mgr; D.A. Wissner, exec dir-mktg svcs; T.L. Bishop, exec dir-prod mgmt.

Tylenol acetaminophen with codeine, Tylox oxycodone HCl and acetaminophen, Percocet percodipone, Vanoxr ibuprofil hydrochloride: Botto, Roessner, Horne & Messinger, New York. Robert J. Botto, pres.

Haldol haloperidol, Parafon Forte DSC chlorzoxazone, Myoscint mifamemab: Kallir, Philips, Ross, New York. Norman Cooper, pres.

Talacitin talmetin sodium: Thomas G. Ferguson Associates, Parsippany, N.J. John F. Zweig, exec vp-coo.

ORTHO BIOTECH: Rich Zahn, vp-sales/mktg.

Orthoclone OKT-3: Kallir, Philips, Ross, New York. Jim Linzer, vp-acct super.

Procrit: Thomas G. Ferguson Associates, Parsippany, N.J. Maria Spellman, vp-acct super.

ORTHO PHARMACEUTICAL CORP.: Erick Milledge, vp. Kallir, Philips, Ross, New York. Jim Linzer, vp-acct super.

DERMATOLOGICAL DIV: L.W. Riley, vp.

Prescription dermatological products: Kallir, Philips, Ross, New York. Jim Linzer, vp-acct super.

ADVANCED CARE PRODUCTS DIV: Peter Gonze, vp-prod mgmt, nonprescription pharmaceuticals; Jill Lesko, franchise dir-consumer diagnostics.

Monistat 7 vaginal cream & suppositories, Fact Plus Home Pregnancy Test, Micatin antifungal products, Conceptrol contraceptives: McCann-Erickson Worldwide, New York.

JOHNSON & JOHNSON ORTHOPAEDICS: G.K. Kunkle, grp vp-sales/mktg/operations.

Surgical & non-surgical orthopaedic products: Simms & McIvor, Somerville, N.J. Gene Hollen, acct exec.

PERSONAL PRODUCTS CO.: P.N. Larson, chmn; G.M. Ostrov, pres; J. Rock, vp-mktg.

Shayfree: Saatchi & Saatchi, New York. Paula Forman, exec vp-exec mgmt dir.

o.b.: Cadwell Davis Partners, New York. Jamie Barrickman, sr vp-dir new bus.

RANK: 66

S.C. Johnson & Son

Racine, Wis.
Ad spending: $158.1 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	9,257	14,099	(34.3)
Sunday magazine	58	706	(91.8)
Newspaper	1,336	472	183.1
Outdoor	670	389	72.3
Network TV	49,967	35,384	41.2
Spot TV	14,205	13,458	5.6
Syndicated TV	6,218	14,291	(56.5)
Cable TV networks	2,457	3,583	(31.4)
Network radio	6	676	(99.1)
Spot radio	2,430	4,614	(47.3)
Measured media	86,603	87,672	(1.2)
Unmeasured	71,500	72,400	(1.2)
Total	158,103	160,072	(1.2)
By top brands	**1990**	**1989**	**% chg**
Glade air fresheners	19,668	16,373	20.2
Johnsons polishes/wax	19,066	25,053	(23.9)

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Raid insecticides	14,898	14,178	5.1
Halsa shampoos	10,386	2,028	412.1
Shout laundry stain remover	6,936	6,789	2.2

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	3,000	2,500	20.0
Earnings	NA	NA	NA

CORPORATE PROFILE

S.C. Johnson & Son is seeking a buyer for its personal-care lines, allowing the company to concentrate on items such as insect repellents and air fresheners.

The con , any reportedly almost eliminated its print ad spending for such products as Halsa and Agree shampoos, Edge shaving cream and Curel skin lotion in first quarter 1991.

Nevertheless, Johnson's Edge maintained its No. 1 spot in the $200 million shaving cream market, increasing its share to 32% in fall 1990 from 25.5% a year earlier, according to a Kidder, Peabody report. The growth came at the expense of Pfizer's Barbasol, with its share falling to 19.5% from 21.5%.

An early, wet spring and much flooding in early 1991 pushed up sales of insect repellents. In June, Johnson launched Off! Skintastic, which moisturizes skin with aloe while repelling bugs. A $2 million TV campaign, plus a sampling effort aiming to distribute 10 million packets, supported.

Also, Johnson anticipated higher sales for Ticks Off! for 1991. Distribution of the tick repellent, launched in 1990 on a limited basis, was stepped up where concern about Lyme disease is high. Johnson has a 50%-plus share of the $85 million insect repellent market, followed by Cutter, holding about 30%.

Other line extensions introduced since late 1990 include Raid Multi-Bug Trigger, Roach & Ant Trigger, Roach Baits and MAX Roach Baits; Off! Bug Barriers; Glade Potpourri Pump, Country Pottery, Plug-Ins; Pledge Dusters and Household Cleaners; Curel Sun Block SPF 8; Soft Sense Shave Gel Ultra Protection Formula and Skin Essentials; Fisher-Price Anitbacterial Liquid Soap, Wet 'n Dry Detangler and Baby Bath with Aloe; and Edge Aftershave.

In air fresheners, the company remained atop the $250 million category in 1990, on the basis of its 31% share from Glade Spray and 0.1% share for Glade II, according to Kidder, Peabody & Co. figures in late 1990. Its share has been sliding from 34% in fall 1989, as Renuzit from Bristol-Myers Squibb has advanced from 16% to 20%.

HEADQUARTERS

S.C.Johnson & Son/1525 Howe St./Racine, Wisc. 53403/Phone: (414) 631-2000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: J. Hutterley, dir-environmental affairs worldwide. Worldwide Consumer Products: W.D. Perez, exec vp-Consumer Prods, N. Amer.; W.D. George Jr., pres-coo; Dave May, dir-insect control bus; G. Montezemolo, vp-new mkts; L.L. Beebe, vp-sales; C.J. Goldthwaite, vp-personal prods; D.J. O'Neill, vp-home care.

Aveeno cleansing bar/bath lotion, Rholl prods, 0-1-1 first aid line: Grant/Jacoby, Chicago. John Willie, vp-consumer packaged goods.

S.C. Johnson professional prods div: Grant/Jacoby, Chicago. Jim Head, sr exec vp, bus-to-bus grp.

Brita, Carol, Doctor Pins, Edge, Favor, Fisher Price children's toiletries, Future, Glad, Off!, Pledge, Raid, Shout, Soft Sense: Foote, Cone & Belding, Chicago. Paul Vernon, sr vp-grp acct dir.

Halsa, Agree: Foote, Cone & Belding, San Francisco. Richard Ward, sr vp-grp mgmt super.

RANK: 18

Kellogg Co.

Battle Creek, Mich.
Ad spending: $577.7 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	8,497	9,001	(5.6)
Sunday magazine	343	73	369.2
Newspaper	233	337	(30.9)
Outdoor	26	29	(10.1)
Network TV	301,296	324,823	(7.2)
Spot TV	44,609	38,964	14.4
Syndicated TV	45,354	50,677	(10.5)
Cable TV networks	3,570	4,126	(13.5)
Spot radio	467	87	437.6
Measured media	404,393	428,135	(5.5)
Unmeasured	173,300	183,500	(5.6)
Total	577,693	611,635	(5.5)
By top brands	**1990**	**1989**	**% chg**
Kellogg's cereals	333,111	373,384	(10.8)
Kellogg's pastries	28,244	13,181	114.3
Kellogg's waffles	18,348	11,404	60.9
Eggo waffles & pancakes	15,775	11,703	34.8
Mrs. Smith's desserts	5,864	11,925	(50.8)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	5,181	4,652	11.4
Earnings	503	470	6.9
U.S.	**1990**	**1989**	**% chg**
Sales	3,044	2,941	3.5
Net earnings	325	313	4.1

CORPORATE PROFILE

Kellogg Co. devoted 1990 to getting its once-proud marketing machine back on track—and in early 1991, was rewarded with some early signs of success.

In deference to its sagging earnings and depressed market share, Kellogg cut media spending 5.5% in 1990 after beefing up ad spending by 42% over the previous five-year span.

Although 1990 dollar sales rose 11.4% to $5.2 billion, total U.S. cereal volume declined. Kellogg cut new-product activity, headquarters staff and expansion plans to compensate for the surprise drop.

Kellogg last year did the unusual. It began running ads comparing its cereals to competing brands. It test-marketed a product. And it focused anew on children's cereals.

The marketer took on comparative advertising for its Just Right cereal, hiking spending 59.9% to $19.9 million to position it against General Mills' Total.

While Chairman-CEO William LaMothe told Wall Street not to expect too much from the company in the near term, Kellogg went back to basics. Its new cereals, Bigg Mixx and Cinnamon Mini Buns, were aimed at children. Ad campaigns, like the $21.4 million spent for the first full year of Kenmei rice bran, focused again on good taste and basic nutrition, eschewing health claims.

Conscious that consumers were turned off by oat bran's health claims, Kellogg returned to promoting cereal as a good-tasting breakfast. It maintained spending for the good-taste advertising of Cracklin' Oat Bran but not for the "serious" Common Sense oat bran, whose spending fell 86% to $3.7 million. Frosted Mini Wheats' spending rose 28.2%, while its unsweetened cousin, Shredded Wheat Squares, watched its budget fall to $3.2 million from $15.8 million.

The company also acknowledged the FDA's stricter stance toward product claims and changed the controversial psyllium-based Heartwise cereal to Fiberwise. Kellogg has battled with the state of Texas, which claims Heartwise isn't a food but an unapproved drug, and is still awaiting the FDA's blessing on the safe use of psyllium in cereal.

At the same time, Kellogg was taking a page out of General Mills' book. Kellogg's most recent new item, Double Dip Crunch, enters the all-family, taste-oriented cereal market General Mills carved out in the 1980s. Double Dip Crunch, a honey-and-nut sweetened version of Crispix, began reaching supermarkets in August.

Kellogg's moves seemed to help stem its share losses. The company's leading share of the $7.2 billion ready-to-eat cereal market fell from 41.4% of pound volume in 1988 to 39.7% in 1989 and 37.5% last year. But in the first quarter of 1991, Kellogg's share swung back to 38.8%.

The company's most serious threat last year was the booming market for private-label cereals, most produced by Ralston Purina Co. Private label expanded its pound share of the category to 6.5% in 1990, up from 3.6% three years earlier.

Private-label products, marketed under a supermarket's own brand name, are largely aimed at Kellogg staples Raisin Bran, Corn Flakes and Sugar Frosted Flakes. Reflecting that, Kellogg boosted spending behind its core brands: Media spending for Corn Flakes was up 15.9% to $27.7 million, Sugar Frosted Flakes up 6.1% to $32.5 million and Rice Krispies up 4.9% to $19.3 million.

Kellogg dished out big spending increases for its non-cereal products. Spending behind the Pop-Tarts line rose 114% to $28.2 million. Pop-Tarts has 72% of the toaster-pastry market. Clearly, Kellogg continues to have growth expectations for portable breakfasts as a cereal-and-milk alternative; it also rolled national Nutri-Grain Cereal Bars.

Similarly, spending for the Eggo frozen waffle line rose 35% to $15.8 million. Eggo, which has boosted its share of market to 56.7% last year from 43.7% in 1987, added two new products: Eggo Mini's and Special K frozen waffles.

In December, Kellogg named 34-year company veteran Arnold Langbo president-chief operating officer, finally filling the vacancy created when the company ousted Horst Schroeder 15 months earlier. Mr. Langbo was president of Kellogg's international division and is expected to take over from Mr. LaMothe when he retires the end of this year.

HEADQUARTERS

Kellogg Co./One Kellogg Square/P.O. Box 3599/ Battle Creek, Mich. 49016/Phone: (616) 961-2000.

PERSONNEL, BRANDS, AGENCIES

U.S. FOOD PRODUCTS DIV: G.E. Costley, corp exec vp-pres; C.M. Gutierrez, corp vp/exec vp-sales & mktg; J.R. Aubuchon, exec vp; C.A. Clark, vp/sr vp-nutrition & mktg svcs; S.W. Richards, sr vp-natl sales mgr; A.K. Hughson, vp-mktg; J.D. Wilson, vp-new prods/convenience foods.

All-Bran, Apple Jacks, Bigg Mixx, Cinnamon Mini Buns, Cocoa Krispies, Common Sense Oat Bran, Corn Flakes, Corn Pops, Cracklin' Oat Bran, Crispix, Double Dip Crunch, Fiberwise, Froot Loops, Frosted Flakes, Frosted Mini-Wheats, Honey Smacks, Just Right, Kenmei Rice Bran, Nut & Honey granola, Rabit-Brain cereal bars, Gotcha, Pop-Tarts, Product 19, Raisin Bran, Rice Krispies, Shredded Wheat Squares, Special K: Leo Burnett USA, Chicago. James Jenness, exec vp-acct dir.

Muesli, Rabit-Brain cereals: J. Walter Thompson USA, Chicago. Jack Tuckey, sr vp.

Black consumer ads: Vince Cullers Advertising, Chicago. Vince Cullers, pres.

MRS. SMITH'S FROZEN FOODS CO.: J.J. Feeney, chmn-ceo; J.S. MacDonald, vp-genl sales mgr; K. Harlan, vp-mktg.

Eggo waffles, Mrs. Smith's frozen pastries: Leo Burnett USA, Chicago. James Jenness, exec vp-acct dir.

RANK: 9

Kmart Corp.

Troy, Mich.
Ad spending: $893.2 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	55,343	35,565	55.6
Sunday magazine	6,566	8,322	(21.1)
Newspaper	80,059	58,444	37.0
Outdoor	60	59	2.4
Network TV	42,185	31,443	34.2
Spot TV	24,341	23,385	4.1
Syndicated TV	2,505	1,527	64.0
Cable TV networks	3,185	3,232	(1.4)
Network radio	10,970	13,586	(19.3)
Spot radio	4,804	10,810	(55.6)
Measured media	230,018	186,374	23.4
Unmeasured	463,200	375,300	23.4
Total	693,218	561,674	23.4
By top brands	**1990**	**1989**	**% chg**
Kmart stores general	85,822	55,536	54.5
Kmart stores	42,498	30,819	37.9
Kmart stores sport, toy, hobby	22,819	23,400	(2.5)
Kmart stores apparel	22,058	25,066	(12.0)
Builders Square home stores	21,646	12,858	68.3
Kmart stores automotive	12,670	9,833	28.8
Payless drugstores	5,995	7,142	(16.1)
Kmart stores drugs & toiletries	5,765	6,675	(13.6)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	32,070	29,533	8.6
Earnings	758	323	134.1
Division sales	**1990**	**1989**	**% chg**
General mdse	24,891	[illegible]	(0.3)
Specialty retail	7,179	4,917	46.0

CORPORATE PROFILE

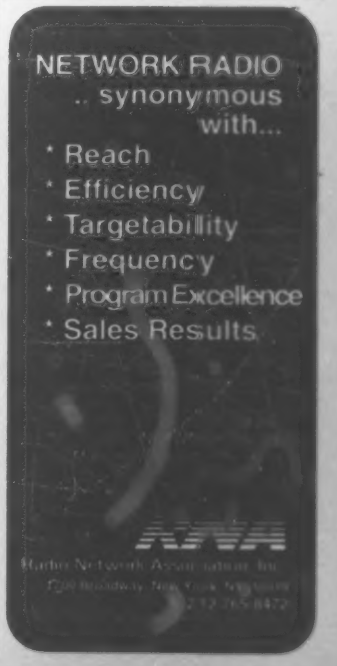
Wal-Mart Stores may have passed Kmart Corp. last year, but to Kmart the retail war is just beginning.

Store modernization, specifically directed at the encroachment of customer-friendly Wal-Mart into its markets, is one of Kmart's key strategies.

It's part of a "renewal" program at Kmart that includes acquisition and growth in the specialty retail area, investment in retail automation, and focused advertising and promotions.

The nation's No. 2 retailer increased measured media spending by nearly $44 million in 1990, including a 56% increase in magazine spending. Last March, the retailer signed a multimillion-dollar magazine ad deal with *Newsweek* and nine Meredith Corp. titles.

Price cuts have slowed profits for two years, but the cuts are paying off in increased sales volume. Kmart eked out a 1.5% gain in profits in 1990, when a one-time restructuring charge of $422 million



is folded into 1989 results.

Aided by the ongoing $2.3 billion interior image overhaul, Kmart plans to have 2,500 new-look stores by 1995.

Earlier this year, Kmart announced it will be expanding its project with Little Caesars Enterprises. By May 1992, 400 Little Caesars restaurants will be open within newly refurbished Kmart stores.

In early 1991, Kmart embarked on a multifaceted environmental campaign that includes tagging and promoting environmentally compatible products, educating employees and customers about products Kmart sells and their environmental impact.

In July, the company opened a Kmart Super Center in Medina, Ohio. The 150,000-square-foot store features general merchandise combined with a full-line supermarket, deli service counter and produce section. Kmart had earlier experimented with food sales in joint ventures but this store is the first entirely owned and operated by Kmart. Two more are planned.

Kmart's specialty retail sales were up 40% largely because of full-year results from PACE Membership Warehouse. Same-store sales were up 5.2% vs. 1.8% in 1989. PACE contributed $2.3 billion, up from only $383 million; Builders Square added $1.89 billion, up 5.6%; Pay Less drugstores, $1.64 billion, up 10.8%, and Waldenbooks, $1.1 billion, up 7.3%.

Kmart cut media spending 83.1% on Waldenbooks, boosted media 69.6% on Builders Square, and backed its new Sports Authority, with $3.2 million.

HEADQUARTERS

Kmart Corp./3100 W. Big Beaver Rd./Troy, Mich. 48084/Phone: (313) 643-1000.

PERSONNEL, BRANDS, AGENCIES

KMART STORES: Bill Parker, vp-sales/mktg; Michael Wellman, vp-mktg; Gerald Habeck, vp-adv.

Kmart stores: Ross Roy, Bloomfield Hills, Mich. Peter Vetowich, exec vp-dir, retail operations.

Kmart consumer adv: Burrell Advertising, Chicago. Charles Curry, pres-coo.

WALDENBOOKS CO.: Sandra Long, sr mktg mgr.

Waldenbooks stores: CHC Advertising, Westport, Conn. Eric Tolkin, vp-acct dir.

BUILDERS SQUARE: Mark James, vp-mktg.

Builders Square stores: Ross Roy, Bloomfield Hills, Mich. Peter Vetowich, exec vp-dir, retail operations.

THE SPORTS AUTHORITY: William Lehrburger, dir-mktg/adv.

The Sports Authority stores: Ross Roy, Bloomfield Hills, Mich., Peter Vetowich, exec vp-dir, retail operations.

PAY LESS DRUGSTORES NORTHWEST: David Massing, vp-adv.

Pay Less drugstores N.W.: In-house.

PACE MEMBERSHIP WAREHOUSE INC.: Howard Jackson, vp-mktg.

PACE Warehouse stores: In-house.

Media buying: Reich Communications, Aurora, Colo. Christa Reich, pres.

RANK: 86

Kroger Co.
Cincinnati
Ad spending: $131.1 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Sunday magazine	0	1	NA
Newspaper	30,535	19,336	57.9
Outdoor	899	865	3.9
Spot TV	26,028	29,870	(12.9)
Cable TV networks	38	37	1.9
Spot radio	1,596	2,575	(38.0)
Measured media	59,096	52,685	12.2
Unmeasured	72,000	64,100	12.3
Total	131,096	116,785	12.3
By top brands	**1990**	**1989**	**% chg**
Kroger food stores	49,658	43,684	13.7

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	20,261	19,104	6.1
Earnings	8	(73)	NA

CORPORATE PROFILE

As part of its far-ranging restructuring program, Kroger Co. decentralized its ad department this year to better tool advertising to regional food preferences.

The food chain, which incurred heavy debt in fending off two takeover attempts in 1988, has been streamlining operations and selling off non-core properties.

Decentralizing its marketing has allowed each of the 11 marketing regions to pick its own agency, primarily for TV advertising. The marketing areas already controlled newspaper advertising—an estimated 80% of stores' overall ad spending.

Success in retaining the account has been spotty for Campbell-Mithun-Esty, which has kept only the Nashville, Tenn., mid-Atlantic and Indianapolis regions. Cincinnati, Dallas, Houston, Atlanta and Columbus, Ohio, have moved their accounts.

The other regions have yet to review the account. Ad budgets now are based on regional sales.

Broadcast advertising, virtually all in spot TV, has been in transition. It slumped from 62% of total Kroger Food Store brand spending in 1989 to 44% last year, or $21.7 million, according to LNA/-Arbitron Multi-Media Service.

At the close of 1990, the company owned 1,255 supermarkets, up 1.7% from 1989. Last year, it purchased 29 Great Scott! supermarkets in Michigan.

Kroger was ranked No. 2 in sales nationally for 1990 by *Supermarket News*, behind American Stores Co., which had $22 billion in sales.

HEADQUARTERS

Kroger Co./1014 Vine St./Cincinnati, Ohio 45202/Phone: (513) 762-4000.

PERSONNEL, BRANDS, AGENCIES

KROGER FOOD STORES: Bob Phelan, Atlanta mktg area ad mgr; Harry McDaniel, Central area ad mgr; Steve Jagers, Cincinnati/Dayton area ad mgr; Dale Hollandsworth, Columbus area ad mgr; Marti Schirley, Dallas area ad mgr; David Chadwick, Delta area ad mgr; Gene Fanker, Houston area ad mgr; Ben Harper, Louisville area ad mgr; Ray Reed, Michigan area ad mgr; Eddy Yeatts, Mid-Atlantic area ad mgr; Ross Thomas, Nashville area ad mgr.

Kroger Food Stores-Central, Delta, Michigan, Louisville, Mid-Atlantic, Nashville areas: Campbell-Mithun-Esty, Chicago. Jay Kramer, acct super-Central/sr acct super-Delta & Michigan; Jim Atten, acct super-Louisville; George Isman, acct super, Mid-Atlantic/Nashville.

Kroger Food Stores-Cincinnati/Dayton area: Fahlgren-Martin, Cincinnatti. Jim Seifert, pres.

Kroger Food Stores-Houston area: Taylor Smith, Houston. Larry Taylor, chmn.

Kroger Food Stores-Dallas area: in-house.

Kroger Food Stores-Atlanta: Creative Consultants, Atlanta (TV/radio creative); Massotti's Media Services, Atlanta (media); Metier Marketing, Atlanta (planning) Phelan & Lowry, Atlanta (promos).

Kroger Food Stores-Columbus, Ohio: Hameroff/Milenthal/Spence, Columbus.

RANK: 65

Levi Strauss & Co.
San Francisco
Ad spending: $158.9 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	8,389	1,663	404.6
Sunday magazine	5	384	(98.8)
Newspaper	32	0	NA
Outdoor	89	27	235.5
Network TV	22,019	24,622	(10.6)
Spot TV	10,472	6,481	61.6
Syndicated TV	12,200	7,815	56.1
Cable TV networks	12,672	9,473	33.8
Network radio	0	651	NA
Spot radio	184	80	130.5
Measured media	66,060	51,194	29.0
Unmeasured	92,800	71,900	29.1
Total	158,860	123,094	29.1
By top brands	**1990**	**1989**	**% chg**
Levi's apparel	60,096	49,488	21.4

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	4,250	3,630	17.1
Earnings	251	272	(7.7)

CORPORATE PROFILE

Levi Strauss & Co. is trying to offset faded denim sales by strengthening marketing efforts to develop, or revive, brand loyalty among men over 25, women, Hispanics and kids—groups outside its core customer base of young men.

The company attributed its record sales in fiscal 1990 to its international business and to the success of its Dockers brand, a $600 million non-jeans line of pants and other casual apparel that appeals to aging baby boomers.

While ad spending for Levi's flagship 501 jeans has remained constant around $20 million a year since 1985, the company has hiked spending for Dockers and for jeans outside the young men's market.

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Levi's spent close to $2 million to advertise Dockers on Super Bowl Sunday alone and is believed to be spending a total of $15 million to $20 million on advertising for Dockers this year.

Dockers will get strong competition this fall from rival VF Corp., which is launching a similar line of Timber Creek men's casualwear under the Wrangler brand umbrella and sold in discount stores. The Dockers line is sold primarily in department stores.

Dockers led the 91 million-unit men's casual pants market with an 11.2% share, up from 8.3% in 1989.

While Dockers gained share, Levi's has lost share in the overall jeans market, where it was still the brand leader in 1990 with a 19% unit market share, down from 21%.

To stop that market share slide, Levi's in 1991 broke its first campaign in two years for women's denim, and its first national Spanish-language jeans campaign, in addition to its advertising for 501s. The 501s effort again centers on a TV campaign directed by Spike Lee that shows "real" people in their 501s, plus special spots on the East Coast.

Levi's hasn't had much luck with its sporadic attempts at marketing to women, and the company has only a small share of the women's jeans category, dominated by Lee and Gitano Group.

Its new $12 million print and out-of-home campaign pairs the Levi's brand with Matisse-inspired renderings of the female form in blue jeans.

HEADQUARTERS

Levi Strauss & Co./Levi's Plaza/1155 Battery St./San Francisco, Calif. 94111/Phone: (415) 544-6000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Jim Chrias, vp-mktg; Linda Aletto, dir-consumer mktg; Maureen Moriarty, consumer mktg dir-men's jeans; Julie Palley, consumer mktg dir-youthwear; Steve Goldstein, consumer mktg dir-men's wear; Gordon Shank, consumer mktg dir-women's wear; Jim McCarty, consumer mktg dir-Brittania Sportswear.

Corporate adv, Levi's, Dockers, Brittania: Foote, Cone & Belding, San Francisco. Jack Rooney, sr vp-grp mgmt super.

Hispanic adv: Mendoza, Dillon & Asociados, Newport Beach, Calif. Eduardo del Rivera, exec vp-client svcs.

RANK: 56

Loews Corp.

New York

Ad spending: $186.2 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	34,536	25,277	36.6
Sunday magazine	14,780	12,678	16.6
Newspaper	4,562	1,314	247.2
Outdoor	39,028	34,173	14.2
Network TV	3268	0	NA
Network radio	10,579	6,224	70.0
Spot radio	45	124	(63.4)
Measured media	103,852	79,797	30.1
Unmeasured	82,300	63,200	30.2
Total	186,152	142,997	30.2
By top brands	**1990**	**1989**	**% chg**
Newport cigarettes	52,390	48,760	7.4
CNA insurance	14,780	13,079	13.0
True cigarettes	12,681	7,901	60.5
Heritage cigarettes	10,909	0	NA
Kent cigarettes	9,991	6,102	63.7

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	12,637	11,437	10.5
Earnings	805	907	(11.3)
Division sales	**1990**	**1989**	**% chg**
Property, casualty insurance	7,517	6,736	11.6
Life insurance	2,426	2,336	3.9
Cigarettes	1,891	1,771	6.8
Hotels	240	207	15.9
Watches, timing devices	182	174	4.5
Shipping	125	60	108.7
Offshore drilling	41	15	172.4
Investment income	197	79	148.7
Equity in CBS Inc.	13	58	(78.0)
Other	6	(0)	NA

CORPORATE PROFILE

Loews Corp. worked over its cigarette lines in 1990, particularly its important Kent brand, and entered the industry's value-price market with Heritage. In the process, its media spending for cigarettes shot up 36.9% to $86 million.

Loews' Lorillard division remained the fourth-largest tobacco marketer in the U.S. Overall, Lorillard's market share dropped to 7.6% from 8% in 1989, returning it to its 1988 standing, according to John C. Maxwell Jr., analyst with Wheat, First Securities. Mr. Maxwell said the company's share was affected adversely by its decision to reduce incentives to the trade starting in late 1989.

Its full-price brands, which mimicked an industrywide category decline by dropping 4.4% in unit sales, accounted for 7.6% of overall market vs. 8% in 1989. Sales in the value-price brands dropped 3% as Lorillard's share dipped to 7.7% of the segment from 8%.

Eyeing the value-price segment, Lorillard introduced Heritage at midyear in Lights Filter King and Lights Filter 100s versions. Supported by $10.9 million in media spending and heavy couponing, Heritage achieved a 0.1% share of the overall market.

The company's two franchise brands—Newport and Kent—are in the declining full-price category. They accounted for 61% and 24%, respectively, of Lorillard sales in 1990.

Newport, the No. 5 cigarette among all categories and the third-place menthol, remained flat in 1990 at a 4.7% share despite a 7.4% growth in media advertising.

Advertising for Kent, which finished the year with a 1.8% share, down from 2.1% in 1989, got a 63.7% boost in media spending, a good part of that coming in the fourth quarter to combat a campaign from R.J. Reynolds Tobacco Co., which positioned its value-price Sterling smoke against full-price Kent.

Kent got a new campaign, bearing the theme "Portraits of pleasure," and redesigned packaging. True is undergoing reevaluation, according to the company, which has been unable to stop market share erosion that slips about 0.1 percentage point per year. The brand finished 1990 at 0.8%, down from 0.9%.

The company this May introduced value-price Style into test in New Orleans and Hartford, Conn., via Saatchi & Saatchi Advertising.

CNA Insurance ranked the eighth-largest insurance organization in the U.S. in premium income, boosted media spending 13%.

Loews owns 97% of Bulova, which introduced two lines last year, the Token fashion watch and Sportstime, a line of sports watches licensed by the NFL.

A highly targeted print and cable TV campaign supporting Bulova watches drew spending of $876,000 in 1990, up 34.6%. The company has begun a trade campaign to relaunch its Accutron line, to be followed by consumer print advertising in fourth quarter 1991.

Loews Hotels spent $1.7 million in media to advertise its 14 hotels and resorts, up 77% from 1989.

HEADQUARTERS

Loews Corp./667 Madison Ave./New York, N.Y. 10021-8087/Phone: (212) 545-2000.

PERSONNEL, BRANDS, AGENCIES

LORILLARD: M.L. Orlowsky, sr vp-adv/brand mgmt; G.R. Telford, vp-adv/brand mgmt; L.M. Giordano, media dir; R.G. Ryan, sales promo dir.

Newport, new products: Ally & Gargano, New York. Ed Ricci, exec vp.

Kent, Kent III, Kent Golden Lights, new products: Avrett, Free & Ginsberg, New York. Tom James, exec vp.

True, new products: Saatchi & Saatchi Advertising, New York. John Kaiser, exec vp.

LOEWS HOTELS: Charlotte St. Martin, exec vp-operations/mktg; Christopher Rockett, vp-mktg; Marian Succoso, vp-adv/sales promo.

Arias & Sarraille, Palo Alto, Calif. Lorilee Torrey, media dir.

CNA FINANCIAL CORP.: Peter P. Conway, sr vp-mktg; Susan Stockton, adv mgr.

Frank C. Nahser Inc., Chicago. Elizabeth Goebel, media super; Marty Kohr, vp-mgmt super.

BULOVA WATCH CO.: Philip Shaw, vp-mktg.

Weiss, Whitten Inc., New York. Jane Gundell, mgmt dir.

RANK: 43

R.H. Macy & Co.

New York

Ad spending: $272.2 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	2,907	2,295	26.7
Sunday magazine	787	703	11.9
Newspaper	160,052	183,632	(12.8)
Outdoor	130	69	87.3
Spot TV	13,451	16,956	(20.7)
Spot radio	178	247	(27.8)
Measured media	177,503	203,902	(12.9)
Unmeasured	94,700	108,800	(13.0)
Total	272,203	312,702	(13.0)
By top brands	**1990**	**1989**	**% chg**
Macy's household	50,084	58,382	(14.2)
Macy's general	39,686	46,838	(15.3)
Macy's apparel	36,520	41,703	(12.4)
Macy's jewelry	10,163	12,052	(15.7)
I. Magnin apparel	9,050	5,761	57.1
Macy's drugs & toiletries	8,398	7,800	7.7
Bullocks apparel	7,573	10,735	(29.5)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	7,267	6,974	4.2
Earnings	(147)	(47)	NA

CORPORATE PROFILE

R.H. Macy & Co. is trying to boost sales with a new TV ad campaign as it works to reduce debt.

The recession hurt sales and earnings. Macy's reported sales for its fiscal year, which ended Aug. 3, fell 7% to $6.76 billion.

After a string of big losses, Macy's took out an ad in *Women's Wear Daily* in December 1990 to respond to rumors about the company's financial position. The ad drew a contrast between Macy's and Campeau Corp., the retailer that filed for bankruptcy protection, claiming Macy's had ample cash to meet its obligations.

In May, Macy's reported a $100.9 million loss for its third quarter and attributed the drop to the sluggish economy, the cost of investing in new technology and increased marketing efforts.

Some improvement began in the following quarter as sales rose 0.2%, the retailer's first quarterly sales gain after seven consecutive declines.

Last February, Macy's hired its first outside agency, Lintas:New York, for a corporate TV campaign promoting Macy's as a brand name. Macy's broke the campaign in April in the New York metro area; theme is "The magic of Macy's."

Macy's plans to roll out the campaign to all its markets and expects to be spending at the annual rate of $150 million by next spring. Macy's spent only $13.4 million in calendar 1990 on TV.

The move to increase TV came because "we know people aren't reading newspapers like they used to. But our audience does watch television," said Macy's Chairman-CEO Edward Finkelstein.

HEADQUARTERS

R.H. Macy & Co. Inc./151 West 34th St./New York, N.Y. 10001/Phone: (212) 695-4400.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Edward F. Finkelstein, chmn-ceo; Mark S. Handler, pres-coo; Myron E. Ullman, exec vp; Howard Adler, sr vp-sales promo/mktg; Arthur Reiner, chmn-ceo, Macy's New York; Robert Friedman, vice chmn-Macy's Northeast; Hal Kahn, ceo-Macy's South/Bullock's; Rudolph Borneo, pres-Macy's California; Rose Marie Bravo, chmn-ceo, I Magnin & Co.

Corporate: Lintas:New York. Tony DeGregorio, grp exec vp-exec creative dir.

Macy's Northeast: In-house. Steven Kornajcik, sr vp-sales promo; Nan Cooper, Audrey Nizen, Robin Hall, Alan Spett, adv admins.

Macy's South/Bullock's: In-house. Joseph Garberino, sr vp-sales promo; Joe Traynor, grp vp; Karen Martin, vp-adv bus office.

Macy's California: In-house. Greg Hribar, sr vp-adv/sales promo.

I. Magnin & Co.: In-house. Wilmer Weiss, sr vp-comms; Viginia Ferrand, vp-adv; Carolyn Galliani, adv mgr.

RANK: 78

Marriott Corp.

Washington

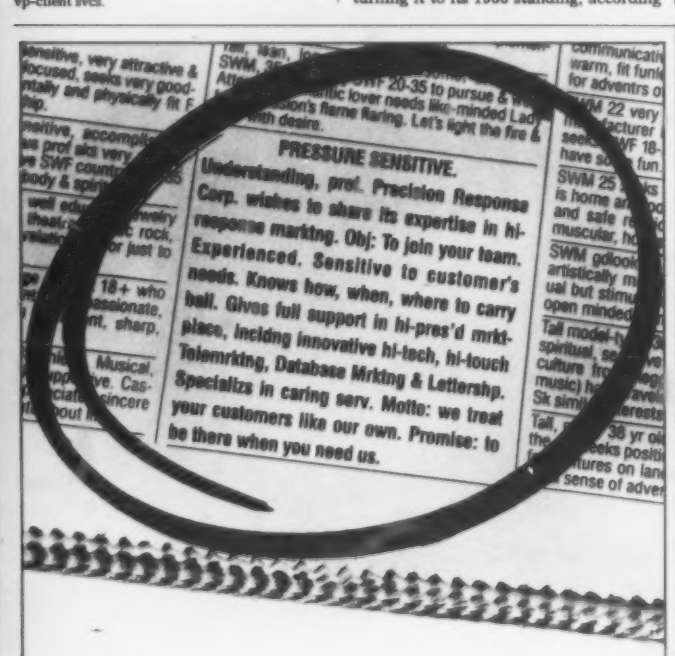
Ad spending: $139.6 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	8,659	8,191	5.7
Sunday magazine	224	607	(63.2)
Newspaper	16,220	10,687	51.8
Outdoor	1,442	1,261	14.3
Network TV	0	1,843	NA
Spot TV	10,188	11,436	(10.9)
Syndicated TV	0	10	NA
Cable TV networks	1,458	1,533	(4.9)
Network radio	5,987	3,419	75.1
Spot radio	7,012	3,654	91.9
Measured media	51,189	42,641	20.0
Unmeasured	88,400	73,600	20.1
Total	139,589	116,241	20.1
By top brands	**1990**	**1989**	**% chg**
Marriott hotels	27,644	19,985	38.3
Courtyard hotels	7,098	2,907	144.1
Bob's Big Boy restaurants	6,959	4,167	67.0

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	7,646	7,536	1.5
Earnings	47	177	(73.4)
Division sales	**1990**	**1989**	**% chg**
Lodging	3,942	3,546	11.2
Contract services	3,704	3,990	(7.2)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CORPORATE PROFILE

For Marriott Corp., 1990 wasn't a very good year. Loaded down with $3.5 billion in debt, the fast-food and hotel operator initiated a construction moratorium on lodging for the elderly and hotels, and moved ahead on its plan to get out of restaurants.

The reason for the reversal of fortune at Marriott and its rapid scrambling is debt. Despite 1986 changes in federal tax laws that reduced the appeal of limited partnerships, Marriott continued to build hotels until 1989, when both the real estate and credit markets crashed.

While the company continues to sell off hotels and restaurants, continuing operations pulled strong ad support of $51.1 million, up 20%. That spending doesn't include media support for Roy Rogers Restaurants, sold in January 1990 to Hardee's Food Systems.

At yearend, the company had 223 Marriott hotels, resorts and suite-hotels in 17 countries. Its moderate-price hotel chain, Courtyard by Marriott, included 178 hotels at yearend. There were 163 Residence Inns and 75 budget-price Fairfield Inns.

Sales of such restaurant properties as Bickford's Family Restaurants and Howard Johnson's continued during the year, but Marriott ended 1990 with more than 400 still under its wing.

Despite the company's growing financial pressures, it upped ad spending for its Marriott Hotels and Residence Inns. Spending for the Marriott brand jumped 38.3% to $27.6 million, while ad spending for Residence Inns jumped 51%.

HEADQUARTERS

Marriott Corp./10400 Fernwood Rd./Bethesda, Md. 20058/Phone: (301) 380-9000.

PERSONNEL, BRANDS, AGENCIES

LODGING OPERATIONS: Robert Bleoh, sr vp-mktg, hotels; Jacqueline Hurley, dir-natl adv/field mktg, hotels/resorts/suites; Bob McCarthy, vp-mktg, Fairfield Inns.

Marriott hotels, resorts, suites: FCB/Leber Katz Partners, New York. Dorian Rogers, acct exec.

Residence Inn: Martin Agency, Richmond, Va. Dan Bartges, vp-acct super.

Courtyard: Scali, McCabe, Sloves, New York. John Bowen, acct exec.

Fairfield Inn: Eisner & Associates, Baltimore. Peter Gladstone, vp-acct super.

RESTAURANT OPERATIONS: Paul Johnson Jr., exec vp-gm; Doreen Levin, dir-mktg.

Morey & Waddell, Indianapolis. Cheryl Bohn, acct exec.

RANK: 42

Mars Inc.
McLean, Va.
Ad spending: $272.4 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	3,532	6,957	(49.2)
Sunday magazine	0	1,036	NA
Newspaper	837	562	48.9
Outdoor	272	0	NA
Network TV	69,726	77,098	(9.6)
Spot TV	39,002	33,551	16.2
Syndicated TV	23,000	22,284	3.2
Cable TV networks	10,400		(25.6)
Network radio	657	3,872	(83.0)

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Spot radio	1,385	890	55.5
Measured media	148,817	160,233	(7.1)
Unmeasured	123,600	133,100	(7.1)
Total	272,417	293,333	(7.1)
By top brands	**1990**	**1989**	**% chg**
M&M's candies	14,017	11,840	18.4
Uncle Ben's rice	13,140	15,603	(15.8)
PB Max candy bar	12,146	0	NA
Skittles	11,122	9,082	22.5
Whiskas cat food	10,456	18,653	(43.9)
Kal Kan dog food	10,286	13,976	(26.4)
Bounty candy	9,965	7,726	29.0
Mars candy bar	9,748	3,629	168.6
Snickers candy bar	8,939	14,562	(38.6)
Twix	8,844	10,430	(15.2)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	8,000	8,000	0.0
Earnings	NA	NA	NA

CORPORATE PROFILE

Mars has aggressively built share in its candy/snack and pet food markets even as it cut media spending for the third consecutive year.

Measured media support was up last year at the M&M/Mars candy and snack division, but off at the Kal Kan Foods pet food, Uncle Ben's rice and Dove International frozen novelties units.

Mars is a major sponsor of the 1992 Olympics, and spending on event-related promotions and sponsorships is likely to shift spending from media in '92.

M&M/Mars, No. 2 to Hershey Foods Corp. in the $8.7 billion (wholesale) U.S. confectionary business, has closed the gap in sales through candy and tobacco wholesalers, though it still trails Hershey in sales through supermarkets.

For the year ended May 1991, Mars is credited with a 38% share of chocolate product sales through candy and tobacco wholesalers, a 2.5 share point gain over the same period a year earlier, according to ICC Accutracks. Hershey held a 39.6% share.

In supermarkets during calendar 1990, M&M/Mars, with a 34.5% share of retail chocolate product sales, trailed Hershey by 8 share points, according to Information Resources Inc.'s InfoScan service.

Though M&M/Mars spent heavily in 1990 on PB Max, a new peanut butter-based product, two of its biggest hits were line extensions, Peanut Butter Snickers and Milky Way Dark, which ranked 16th and 17th in wholesale sales, according to Accutracks.

Dove chocolate bars were launched this year in selected markets as a premium entry in the $1.2 billion solid chocolate bar market. Dove International has introduced Snickers, Three Musketeers and Milky Way ice cream bars. The Snickers ice cream bar quickly became a top 10 seller in the crowded frozen novelties market, according to Nielsen Marketing Research.

Kal Kan boosted its retail share for the third consecutive year in 1990, to 12.5%, according to Wheat, First Securities. Sales gains elevated Kal Kan Foods into third place among pet food marketers—behind Ralston Purina Co. and Nestle—regaining a position it lost in 1987, reported Wheat First.

In a major broadening of the Pedigree and Whiskas lines, Kal Kan in 1991 is spending $50 million to establish a new superpremium-price line extension, Pedigree Expert Diet dog food and Whiskas Expert Diet cat food.

Mars' Uncle Ben's unit saw retail sales of its dry rice and rice mixes slip 2% in 1990, while its leading share of the dry rice/rice mix category was 24%, according to InfoScan data. Category sales were up 4.5% in 1990 to $863.9 million.

Uncle Ben's this year is trying to take its high-quality image into other supermarket sections. It's testing in Denver a line of add-meat chunky vegetable sauces that can be poured over pasta or rice.

HEADQUARTERS

Mars Inc./6885 Elm St./McLean, Va. 22101/Phone: (703) 821-4900.

PERSONNEL, BRANDS, AGENCIES

M&M/MARS DIV: MaryAnn Donovan, sr vp-mktg; Alfred Poe, sr vp-sales.

M&Ms, Snickers, Three Musketeers, Kudos, Starburst, Holidays, PB Max, new products: Backer Spielvogel Bates Worldwide, New York. Jerrold Gottlieb, exec vp-acct mgmt.

Bounty, Milky Way, Mars Almond Bar: D'Arcy Masius Benton & Bowles, New York. Lori Moskowitz, vp-dir, operations & strategy.

Combos, Munch, Skittles, Twix, new products: D'Arcy Masius Benton & Bowles, St. Louis. Rick Spatz, sr vp-grp acct dir.

Dove chocolate bars: Grey Advertising, New York. Warren Fisher, sr vp.

KAL KAN FOODS: John Murray, vp-mktg/sales.

Pedigree dog food, Whiskas cat food, Sheba cat food, Pedigree Expert Diets, Whiskas Expert Diets, new products: Backer Spielvogel Bates Worldwide,

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New York. Norman Bierman, exec vp-acct mgmt.

UNCLE BEN'S INC.: Michael Owen, franchise dir.

Branded white rices, branded processed rices, Uncle Ben's Cookin' Sauces, new products, foodservice div: Backer Spielvogel Bates Worldwide, New York. Alice Uniman, sr vp-mgmt rep.

DOVE INTERNATIONAL: William Del Chiaro, vp-mktg.

Dove ice cream bars, Rondos bite-size ice cream snacks: Grey Advertising, New York. Warren Fisher, sr vp.

Milky Way ice cream bars/milk shakes: D'Arcy, Masius Benton & Bowles, New York. Lori Moskowitz, vp-dir, operations & strategy.

Snickers ice cream bars, Three Musketeers ice cream bars: Backer Spielvogel Bates Worldwide, New York. Jerrold Gottlieb, exec vp-acct mgmt.

RANK: 33

Matsushita Electric Industrial Co.

Secaucus, N.J.

Ad spending: **$330.2** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	26,408	19,718	33.9
Sunday magazine	32	34	(7.6)
Newspaper	33,032	28,928	14.2
Outdoor	4,030	3,855	4.5
Network TV	42,711	46,966	(9.1)
Spot TV	39,481	39,250	0.6
Syndicated TV	8,070	5,826	38.5
Cable TV networks	4,740	5,007	(5.3)
Network radio	506	410	23.3
Spot radio	5,963	757	687.8
Measured media	164,972	150,751	9.4
Unmeasured	165,200	150,900	9.5
Total	330,172	301,651	9.5
By top brands	**1990**	**1989**	**% chg**
Universal City Studios	110,022	105,393	4.4
Universal Studios tours	11,121	5,873	89.4

U.S. AD SPENDING ($ in thousands)

By top brands	1990	1989	% chg
MCA home video & discs	11,085	9,511	16.6
Panasonic video equipment	8,286	9,046	(8.4)

SALES & EARNINGS ($ in millions)

Worldwide	1991	1990	% chg
Sales	45,804	42,573	9.9
Earnings	1,836	1,671	9.9
U.S.	**1991**	**1990**	**% chg**
Sales	5,400	NA	NA
Operating income	NA	NA	NA
Division sales	**1991**	**1990**	**% chg**
Video equipment	12,162	11,335	7.3
Audio equipment	4,240	3,979	6.6
Home appliances	6,379	5,691	12.1
Communications, industrial equipment	11,017	9,751	13.0
Electronic components	5,969	5,540	7.7
Batteries & kitchen-related	2,478	2,213	11.9
Other	4,558	4,063	12.2

CORPORATE PROFILE

Matsushita Electric Industrial Co., which is looking at Universal Pictures to provide the software for its growing consumer electronics products, has found the studio's fortunes in a slide.

A sharp drop in profits has been the immediate effect of its $6.13 billion purchase of MCA Inc. last December. In fiscal 1991 first quarter ended June 30, net earnings fell 34% on sales growth of 12.3%. The previous-year period did not include MCA.

Universal Pictures, a former MCA unit, ended 1990 ranked third in film rentals with a 14% share, down from No. 2 at 17% in 1989. Through July 1991 it slipped to fifth at 11.8% for its 14 first-run releases, according to *Variety*. "Back to the Future III" drew the most ad support last year with $9.5 million.

Local attendance was boosted this spring at Universal Studios Hollywood from a price cut allowed California residents, although overall attendance is down as it is at Universal Studios Florida, open since May 1990.

Matsushita's U.S. operation, Matsushita Electric Co. of America, spent $22 million in media on its Panasonic brand, up 32%. The brand's new wet/dry shaver attracted $3.8 million of that.

HEADQUARTERS

Matsushita Electric Corp./Osaka, Japan.

Matsushita Electric Corp. of America/One Panasonic Way/Secaucus, N.J. 07094/Phone: (201) 348-7000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Grey Advertising, New York, Stewart Hegleman, exec vp.

PANASONIC CO.: Bob Greenberg, vp-gm, corp affairs.

Panasonic: VCRs, camcorders, color TVs, telephones & answering machines, home entertainment systems, tape recorders, radio/cassette players, personal word processors, fax-phones, marine radios/radar, consumer cellular phones, laser disc players, industrial batteries/business telephone systems: Grey Advertising, New York. Stev.art Hegleman, exec vp.

Panasonic: car audio prods, home appliances, business cellular phones. Technics: audio prods, home audio, musical instruments: Levine, Huntley, Vick & Beaver, New York. Anthony Parks, acct dir.

QUASAR CO.: Matt Omoto, gm-mktg, electronics; John Monaco, gm-mktg, appliances; Dave Bearden, gm-sales.

In-house.

MCA INC.: David Weitzner, pres-worldwide mktg. MCA Motion Picture Grp.: Simon Kornblit, exec vp-worldwide mktg; Sally Van Slyke, sr vp-mktg/publicity/promo; David Sameth, sr vp-mktg/creative adv; Perry Katz, sr vp-mktg; Vic Fondrk, vp-media/coop adv. Andrew Kairey, vp-mktg, MCA Home Entertainment Grp.; David Weitzner, pres-worldwide mktg, MCA Recreation Svcs; Anthony Santosusso, mktg dir, Spencer Gifts; Al Teller, chmn-Music Entertainment Grp.; Shelly Schwab, pres-MCA Television Grp.; Jeffrey Schadlow, pres-NYLA Marketing.

Universal Pictures: DDB Needham Worldwide, Los Angeles. Ken Kaess, exec vp.

MCA Universal Home Video (MCA Home Entertainment Grp): Focus Media, Studio City, Calif. Jordan Levy, acct exec.

Universal Studios Hollywood, Universal Studios Florida (MCA Recreation Services): Foote, Cone & Belding, Los Angeles. Tom Lesinski, mgmt dir.

RANK: 30

May Department Stores Co.

St. Louis

Ad spending: **$363.6** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	3,811	3,121	22.1
Sunday magazine	4,663	4,985	(6.4)
Newspaper	214,405	203,423	5.4
Outdoor	154	47	227.1
Network TV	7,447	5,259	41.6
Spot TV	21,490	23,897	(10.1)
Cable TV networks	428	0	NA
Spot radio	2,106	1,357	55.2
Measured media	254,505	242,089	5.1
Unmeasured	109,100	103,800	5.1
Total	363,605	345,889	5.1
By top brands	**1990**	**1989**	**% chg**
Lord & Taylor apparel	27,686	23,479	17.9
May Co. stores	22,865	20,558	11.2
May Co. apparel	22,127	22,432	(1.4)
Payless shoe stores	16,609	16,452	1.0
May Co. household	15,952	17,292	(7.8)
Foley's apparel	15,466	15,070	2.6
Hecht Co. apparel	13,010	13,713	(5.1)
Filene's apparel	11,574	9,540	21.3
Filene's institutional	10,529	10,405	1.2
Robinson's apparel	9,947	11,042	(9.9)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	10,035	9,336	7.5
Earnings	500	515	(2.9)
Division sales	**1990**	**1989**	**% chg**
Department stores	8,669	8,106	6.9
Payless ShoeSource	1,366	1,230	11.1

CORPORATE PROFILE

May Department Stores Co. in 1990 found a way to generate steady sales growth—leave discounting and specialty operations to others and concentrate on the higher-growth, higher-return department store business.

May, reduced to a middle-market department store operation, so far has weathered the recession better than the retail industry. During the fourth quarter of 1990, May's sales improved 7.8%. It finished the year up 7.5%.

However, the chain's returns softened in fiscal first quarter 1991, ended in May, as earnings dipped 5% on a 5.8% growth in revenues. Same-store sales were off 2.5% for department stores and up 1.8% at Payless ShoeSource outlets.

The chain has enhanced growth by divesting Loehmann's specialty stores and Caldor discount chain. Venture Stores was spun off to stockholders last November. The three units had collective sales declines of 0.7% and 19.9% in 1988 and 1989, respectively. Venture returns are not in May's yearend returns.

Continuing to build its department store base, the company bought Thalhimer Bros. for $317 million from Carter Hawley Hale Stores in November 1990. The 26-unit chain gives May its first entry in Virginia and the Carolinas. May sold five Lord & Taylor stores in Florida to Dayton Hudson Corp.'s Mervyn's unit.

The company continued to build Payless ShoeSource, formerly named Volume Shoe Corp. As of June 1991, May operated 3,041 Payless stores in 47 states, an 8.6% increase since 1989.

Spending in May's primary ad medium, newspapers, rose 5.4% in 1990 for continuing operations. Print is handled in-house at each of the chains. Outside agencies work on broadcast, with two units, Famous-Barr and Payless, having agencies of record for broadcast only. Payless is the company's biggest user of network and spot TV, virtually its only media. Payless reshuffled allocations for the two media, with spot declining 16.4% to $9.2 million, while network increased 32.7% to $6.9 million.

Media rose 30% at L&T to $39 million and 35% at Filene's to $27 million, but dipped 8.8% to $31 million at Hecht's.

HEADQUARTERS

May Department Stores Co./611 Olive St./St. Louis, Mo. 63101/Phone: (314) 342-6300.

PERSONNEL, BRANDS, AGENCIES

FAMOUS-BARR: Paul G. Cavalli, sr vp-adv/sales promo.

Glennon & Co., St. Louis. Ruth McKinney, vp-mgmt super.

FILENE'S: Charlotte D. Brewer, sr vp-adv/sales promo.

In-house. Joseph Panessidi, div vp-dir, adv operations.

FOLEY'S: Linda Knight, sr vp-adv/sales promo.

Pacific Advertising, Houston (in-house). Wayne Franks, vp-creative dir.

G. FOX: Joseph Civitillo, sr vp-adv/sales promo.

In-house. Raina D'Amico, div vp-adv.

HECHT'S: Steven E. Wishnow, sr vp-adv/sales promo.

In-house. Joyce Perl, vp-adv dir.

KAUFMANN'S: Jerry J. Eccher, sr vp-adv/sales promo.

In-house. Barbara Mihopulos, vp-creative dir.

LORD & TAYLOR: Rita Lennick, sr vp-adv/sales promo.

In-house. Russ Hardin, vp-creative svcs.

L.S. AYRES: Mark G. Humphrey, sr vp-adv/sales promo.

In-house. Dick Allen, creative dir.

MAY CO., CALIFORNIA: Leonard N. Berliner, sr vp-adv/sales promo.

In-house. Karen Jones, div vp-adv dir.

MAY CO., OHIO: Jerry W. Hoegner, sr vp-adv/sales promo.

In-house. Debra Edwards, div vp-adv dir.

MAY D&F: Jan Lednier, sr vp-adv/sales promo.

In-house. Fran Victor, prodn dir; Bill Gilbertson, financial dir.

MEIER & FRANK: David E. Miller, sr vp-adv/sales promo.

In-house. Nancy Altman, adv dir.

ROBINSON'S: Judy Farris, sr vp-adv/sales promo.

In-house. Marcia Cotner, vp-adv dir.

PAYLESS SHOESOURCE: Terry McDonald, sr vp-adv/sales promo.

Foote, Cone & Belding, Chicago. Paul Vernon, sr vp-grp acct dir.

THALHIMERS: Stephen D. Thorpe, sr vp-adv/sales promo.

In-house. Diane Cuckney, div vp-adv dir.

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SOURCE: Sales & Marketing Management Data Service (1989) and ABC.

New Haven Register

40 Sargent Drive, New Haven, CT 06511

RANK: 45

Mazda Motor Corp.

Hiroshima

Ad spending: $247.9 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	48,526	39,063	24.2
Sunday magazine	37	36	1.1
Newspaper	6,144	3,585	71.4
Outdoor	2,153	323	567.2
Network TV	76,059	50,131	51.7
Spot TV	43,297	44,174	(2.0)
Syndicated TV	1,742	0	NA
Cable TV networks	946	2,615	(63.8)
Network radio	0	5	NA
Spot radio	2,253	3,577	(37.0)
Measured media	181,156	143,509	26.2
Unmeasured	66,700	52,800	26.3
Total	247,856	196,309	26.3
By top brands	**1990**	**1989**	**% chg**
Mazda cars	154,110	127,349	21.0
Mazda trucks	26,866	13,827	94.3

SALES & EARNINGS ($ in millions)

Worldwide	1991	1990	% chg
Sales	15,800	14,500	9.0
Earnings	191	188	1.6

CORPORATE PROFILE

Mazda Motor Corp. last month unveiled its luxury car division, Amati, that will put the carmaker in league with the pricey Acura, Lexus and Infiniti lines of its Japanese competitors and the high-end European imports.

Amati, to be sold from a separate dealer network from Mazda, will offer two sedans priced in the $25,000 to $45,000 range beginning in 1994. A five-agency short list will compete for the reported $50 million account.

Mazda Motors of America, the U.S. subsidiary, gained share points in the U.S. in 1990 by selling 349,677 cars and trucks, including 72,657 of the U.S.-built 626 and MX-6 models, up 2.3%. This resulted in a 2.5% share of the U.S. car/-truck market, up from 2.3%. Among Japanese importers, Mazda ranked fourth behind Toyota's leading 7.2% share, Honda at 6.2% and Nissan at 4.3%.

Mazda actually sold 455 fewer cars in 1990 than in 1989, as sales of light pickup trucks came to 123,965 units, up 7.1%.

Expansion-minded Mazda called off long-term negotiations for a joint venture in Europe with Ford Motor Co., which owns 23.4% of Mazda. The Ford Probe is produced at the Mazda manufacturing plant in Flat Rock, Mich.

Mazda's intermediate 626 (both domestic and imported models) was the company's best seller, with sales of 64,242 units, up 21.7%. The 626 accounted for $22.5 million in media, a 61% boost over 1989, with about $17 million in network and spot TV and the rest magazines.

The MX-5 Miata convertible continued its sales success and accounted for 35,944 units, up 56% from 1989, its first year. The Miata got $23 million in media.

Mazda launched the Navajo sport-utility vehicle in a multimedia campaign that included $18.4 million in media, mostly TV and magazines. In its first year, 3,409 units were sold.

The Mazda Protege subcompact got $8 million in media backing, same as in 1989; the 323 subcompact, $13.5 million, down 13.5%; and the top-of-the-line 929, $7.8 million, down 38%.

Mazda in the next nine months is expected to introduce the new MX-3 coupe and replacements for the RX-7, 626, MX-6 and 929.

Mazda advertising for the 1991 models, themed, "Mazda. It just feels right," dropped the "Kansei engineering" subtheme that underscored the company's vehicle design philosophy in 1990.

Mazda increased its commitment to sports event marketing, including sponsorship of marathons and a car racing team at LeMans. This month it also inked a three-year $96 million cross-media package with Time Warner.

Newly installed Chief Operating Officer Clark Vitulli, an executive recruited from Chrysler, took charge of the two just-merged units, MMA (East) and MMA (Central).

He also reorganized the new company into three main groups: sales, marketing and product planning, and merged service and parts into a single unit reporting directly to him.

HEADQUARTERS

Mazda Motors of America/7755 Irvine Center Dr./Irvine, Calif. 92718/Phone: (714) 727-1990.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Mazda Autos: Clark Vitulli, coo, sr vp-gm; Jan Thompson, vp-mktg; Richard Balsiger, adv dir; Richard Colliver, grp vp-gm, Amati div; John Kramer, dir-mktg, Amati div.

Mazda: Foote, Cone & Belding, Santa Ana, Calif. William Hagelstein, exec vp-gm.

RANK: 8

McDonald's Corp.

Oak Brook, Ill.

Ad spending: $764.1 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	3,291	669	391.8
Sunday magazine	4	0	NA
Newspaper	567	527	7.7
Outdoor	5,167	5,919	(12.7)
Network TV	230,994	252,066	(8.4)
Spot TV	145,986	141,268	3.3
Syndicated TV	28,009	17,409	60.9
Cable TV networks	8,795	7,223	21.8
Network radio	8	0	NA
Spot radio	3,223	6,697	(51.9)
Measured media	426,044	431,778	(1.3)
Unmeasured	338,100	342,600	(1.3)
Total	764,144	774,378	(1.3)
By top brands	**1990**	**1989**	**% chg**
McDonald's restaurants	426,042	428,118	(0.5)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	6,640	6,066	9.5
Earnings	802	727	10.3
U.S.	**1990**	**1989**	**% chg**
Sales	3,871	3,887	(0.4)
Operating income	986	989	(0.3)
Division sales	**1990**	**1989**	**% chg**
Company-operated restaurants	5,019	4,601	9.1
Revenue from franchisees	1,621	1,465	10.6
Systemwide results	**1990**	**1989**	**% chg**
Company-operated restaurants	5,019	4,601	9.1
Franchisees	12,017	11,219	7.1
Affiliates	1,723	1,513	13.9
Total systemwide sales	18,759	17,333	8.2

CORPORATE PROFILE

McDonald's Corp. adopted a new ad theme—"Food, folks and fun"—in May 1990, but within a year it was gone, replaced by the more sober "McDonald's today."

Along with the theme, much of the fun has gone out of the U.S. business for McDonald's, the result of changing eating habits and of a recession that put the squeeze on the whole fast-food industry.

In the U.S., sales of its 8,576 restaurants rose 2%, but that was lower than its rate of expansion, since its number of domestic units increased 3.7% during the year. Average sales for each domestic unit rose only 1.7% to $1.65 million, less than the hike in menu prices, analysts said.

In short, McDonald's sales went backwards, as did its market share, slipping to 34.4% of the hamburger/sandwich market in 1990 from 36.2%, according to *Nation's Restaurant News*.

McDonald's has jettisoned its traditional conservatism toward change to take on a broad range of competitors—from the mom-and-pops to the microwave.

In test are large pizzas for dinner and single-serve pizzas for lunch, pasta dishes, a line of turkey, ham and cold cut subs, skinless roasted chicken, a grilled chicken breast sandwich, barbecued chicken wings and a concept called McExtras, in which staples such as milk, butter and eggs are offered in restaurants.

Nationally, a Grilled Steak sandwich has been offered as a limited-time addition, and new menu staples include Breakfast Burrito, cold cereals (from General Mills) and Chicken Fajitas.

Perhaps McDonald's most important menu addition was the national introduction this April of the McLean Deluxe, a 91% fat-free hamburger meant to improve the chain's nutritional profile.

The company is rethinking operations, leading it a year ago to open the Golden Arch Cafe in Hartsville, Tenn. The cafe is very un-McDonald's: it offers meat loaf and country-fried steak. The idea—to

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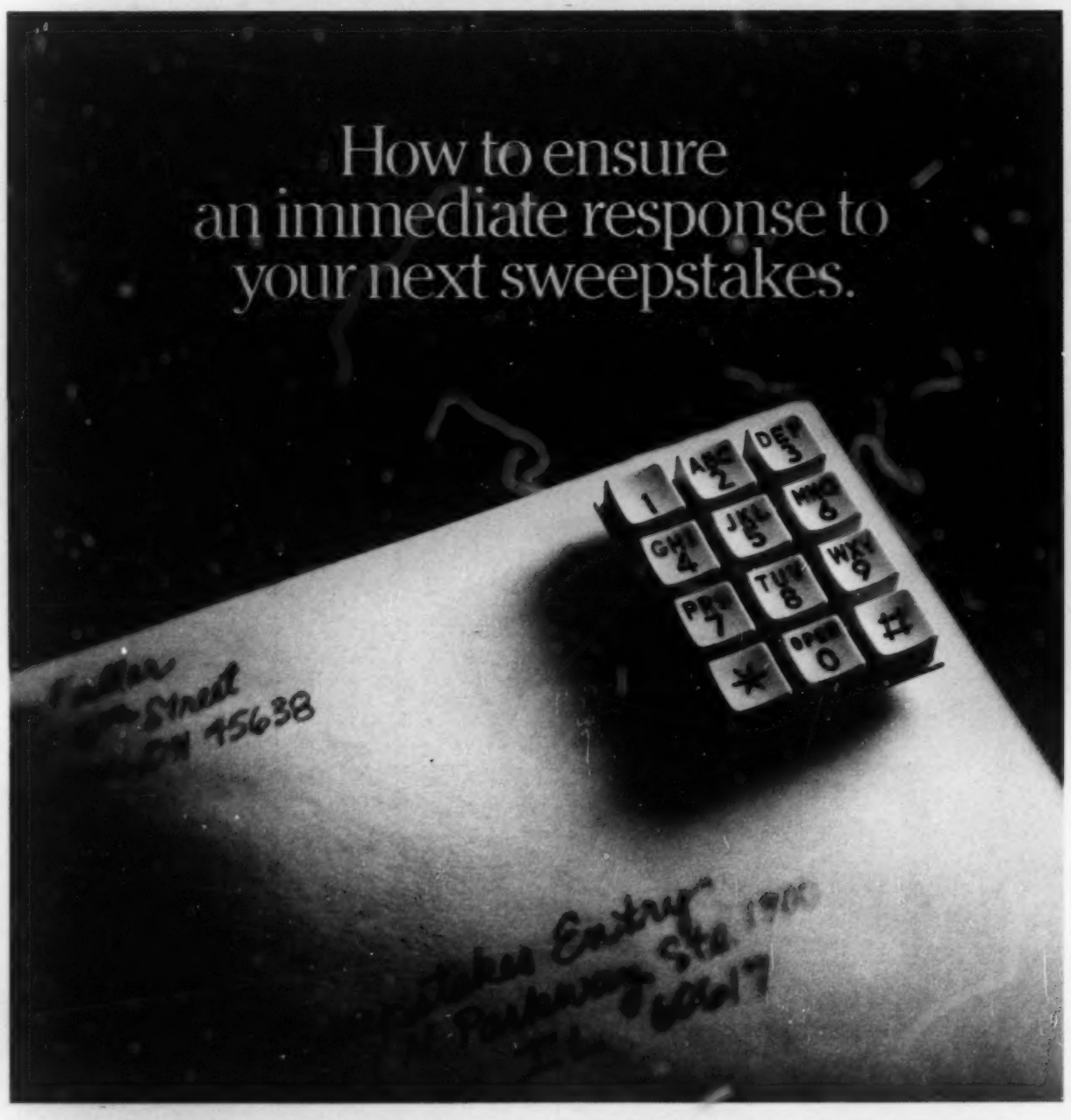

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Top 25 cable TV* advertisers

Rank	Advertiser	Cable TV network spending 1990	1989	% chg
1	Procter & Gamble Co.	$57.7	$38.9	48.5
2	Time Warner	50.7	37.5	35.0
3	General Mills	27.4	21.3	28.6
4	Anheuser-Busch Cos.	26.8	26.3	1.9
5	Philip Morris Cos.	26.6	20.5	29.8
6	General Motors Corp.	26.0	21.0	23.4
7	RJR Nabisco	21.7	17.9	21.4
8	Sears, Roebuck & Co.	19.8	13.3	48.1
9	AT&T Co.	15.3	6.6	133.0
10	PepsiCo	13.1	9.7	34.7
11	Levi Strauss & Co.	12.7	9.5	33.8
12	Eastman Kodak Co.	12.6	10.6	18.3
13	Hasbro Inc.	11.1	7.8	42.6
14	American Home Products Corp.	10.83	9.9	9.9
15	Clorox Co.	10.76	9.1	17.9
16	Mars Inc.	10.4	14.0	(25.6)
17	Grand Metropolitan	10.3262	5.6	85.1
18	Bristol-Myers Squibb Co.	10.3255	9.9	4.8
19	Wm. Wrigley Jr. Co.	10.2	8.0	27.1
20	Sony Corp.	9.7	5.8	68.3
21	Ford Motor Co.	9.5	7.5	26.5
22	Chrysler Corp.	9.2	11.9	(22.1)
23	McDonald's Corp.	8.8	7.2	21.8
24	Nestle SA	8.5	6.6	28.9
25	Johnson & Johnson	8.3	7.1	16.8

Note: Dollars are in millions. * includes CNN, MTV, USA, ESPN, WTBS and Family Channel. **Source:** LNA/Arbitron. See Page 71 for methodology and other source information.

find a restaurant concept for markets too small to support a regular McDonald's—has not produced the results expected. It's begun building double drive-through restaurants that offer a limited menu and no interior seating.

To counter the recession, McDonald's instituted several Value Menus with permanent price reductions. Ads have emphasized price reductions and menu additions rather than image, as the ad budget has become more localized; network TV spending declined 8.4%, while spot TV spending rose 3.3%, syndicated programming buys jumped 60.9% and cable TV spending rose 21.8%.

McDonald's has cut back on promotional marketing. A major game promotion tied to the movie "Dick Tracy" and another, "McMillions," a joint promotion with NBC in September 1990, failed to revive sales. There were no major national promotions through the first half of 1991.

Changes even were made in its ad agency lineup. DDB Needham Worldwide was given responsibility for advertising to teenagers in November 1990. That represents a $55 million chunk of the $300 million national account. Needham had been McDonald's sole national agency until it was dropped and replaced in 1981 by Leo Burnett USA, which continues to handle the rest.

The most controversial change was its decision to phase out use of polystyrene plastic-foam packaging in favor of coated paper. The company is switching to paper because it said discussions with the Environmental Defense Fund had convinced it paper takes less space in overcrowded landfills.

HEADQUARTERS

McDonald's Corp./One McDonald's Plaza/Oak Brook, Ill. 60521/Phone: (708) 575-3000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Paul D. Schrage, sr exec vp-chief mktg officer; David B. Green, Richard G. Starrmann, sr vps-mktg; Roy Bergold, vp-adv; Ronald W. Miessler, vp-comms svcs; Jim Rand, vp-mktg svcs; Charles L. Rubner, vp-comms; Don Dempsey, asst vp-intl mktg; Linda Kravity, Bill Lamar, asst vps-natl mktg; Sandy Silver, asst vp-mktg; Dean Barrett, dir-natl mktg; Terri Capatosto, dir-media relations; Chuck Ebeling, dir-corp comms; Mike Gordon, dir-intl comms; George Griggs, dir-field mktg; Court Kenaston, dir-intl mktg; Thom Kettle, dir-new prods mktg; Jan Kramer, dir-real estate mktg; Roger Lipker, dir-comms; Don Lorr, dir-mktg research; Susan Clark McBride, dir-publications/customer relations; Bridget Marshall, dir-pr; Steve Nubie, dir-adv; Stephanie Skurdy, dir-education; Bruce Smith, dir-media.

McDonald's: Leo Burnett USA, Chicago. Jerry Connor, exec vp-client svcs dir. DDB Needham Worldwide, Chicago. Dick Rogers, exec vp-grp acct dir.

Black consumer mktg: Burrell Advertising, Chicago. Sarah Sears, vp-acct dir.

Hispanic consumer mktg: Castor Advertising, New York. Castor Fernandez, pres.

Sales promo: Frankel & Co., Chicago. Rick Bollinger, Bob Schneider, vps-mgmt reps. Simon Marketing, Oak Brook, Ill. Jay Babineau, Paul Marcus, exec vps.

Public relations: Golin/Harris, Chicago. Steve Crews, exec vp-acct dir. Burson-Marsteller, Chicago. John LeSage, exec vp-gm; Harlan Teller, exec vp-client svcs.

Black consumer public relations: Burrell Public Relations, Chicago. Tina Carol Gay, sr vp.

RANK: 77

Mobil Corp.

New York

Ad spending: **$140.3** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	6,570	4,497	46.3
Sunday magazine	19	28	(34.6)
Newspaper	3,236	3,641	(11.1)
Outdoor	11	28	(59.1)
Network TV	9,790	12,118	(19.2)
Spot TV	14,455	14,654	(1.4)
Syndicated TV	2,582	4,180	(35.8)
Cable TV networks	1,579	890	(16.5)
Network radio	239	427	(44.0)
Spot radio	4,470	6,505	(31.3)
Measured media	43,060	47,967	(10.2)
Unmeasured	97,200	108,300	(10.2)
Total	140,260	156,267	(10.2)
By top brands	**1990**	**1989**	**% chg**
Mobil gasoline & oil	24,298	25,804	(5.8)
Hefty storage bags	12,423	12,941	(4.0)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	64,472	56,188	14.7
Earnings	1,929	1,809	6.6
U.S.	**1990**	**1989**	**% chg**
Sales	21,198	19,191	10.5
Earnings	415	731	(43.2)
Division sales	**1990**	**1989**	**% chg**
Petro exploration, production	5,833	4,824	20.9
Petro marketing, refining	53,882	46,615	15.6
Chemicals	4,084	4,039	1.1

CORPORATE PROFILE

Many advertisers fled the airwaves in January when the bombs began raining on Baghdad, but Mobil Corp. and the rest of the oil industry were especially hasty in beating a retreat.

Mobil's first-quarter 1991 media spending was down 54% from one year earlier; it's believed spending resumed usual patterns at the approach of summer.

Following the lead of Chevron and Texaco's Central region, last April Mobil instituted same-price cash or credit policies for retail gasoline purchases.

It has expaned a motor oil recycling program to include 550 Mobil stations that accept used oil and more than 1,800 others that have joined an educational effort urging do-it-yourselfers to dispose of motor oil responsibly.

Mobil is upgrading its stations to its Pegasus 21 prototype that features self-service pumps, electronic payment systems and a minimart. It's also experimenting with 12 Express Lube outlets.

In 1990, Mobil, with 9,000 stations, was the fourth-largest gasoline marketer with a 6.61% share of the 114.6 billion gallons purchased, according to the Lundberg Survey, which ranked Shell Oil Co. No. 1 with a 7.92% share, followed by Amoco Corp., 7.48%, and Exxon Corp., 6.85%.

While gasoline marketers in general are jumping on the green bandwagon, Mobil Chemical Co., marketer of Hefty trash bags, has jumped off. It's now gun-shy about making environmental claims after raising the ire of the FTC and seven state attorneys general over degradability claims. Mobil settled the fraud and deceptive-advertising suits with the states and paid a $250,000 fine but admitted no wrongdoing.

Mobil says it won't make green claims until national standards are set. Mobil was true to its word when in April it introduced Hefty Steel-Sak trash and tall kitchen garbage bags, using 30% less material. Mobil backed its Hefty line with $14.4 million in advertising, down 10.6%.

HEADQUARTERS

Mobil Corp./3225 Gallows Rd./Fairfax, Va. 22037/Phone: (703) 846-3000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Allen E. Murray, chmn-pres-ceo.

DDB Needham Worldwide, New York. Lawrence Iannuzzelli, exec vp.

MOBIL OIL CORP.: Eugene A. Renna, pres-Mobil Mktg. & Refining Worldwide; Robert O. Swanson, exec vp-intl mktg & refining. Mobil U.S. Marketing & Refining Div.: Joseph L. Cooper, exec vp; Robert J. McCool, vp-U.S. mktg; Stephen D. Pryor, mktg mgr.

Mobil auto gasoline, Mobil 1 oil: DDB Needham Worldwide, New York. Lawrence Iannuzzelli, exec vp.

MOBIL CHEMICAL CO.: Philip W. Matos, pres; Robert L. Cauffman, vp-mktg.

Hefty Bags, Baggies, Hardlie: Wells Rich Greene BDDP, New York. Dick Byrne, exec vp.

RANK: 100

Monsanto Co.

St. Louis

Ad spending: **$114.6** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	11,379	5,575	104.1
Sunday magazine	236	0	NA
Newspaper	1,226	243	404.7
Outdoor	28	4	592.7
Network TV	36,281	34,813	4.2
Spot TV	14,361	15,799	(9.1)
Syndicated TV	2,974	984	202.2
Cable TV networks	2,588	1,321	96.0
Network radio	3,360	1,899	76.9
Spot radio	586	4,697	(87.3)
Measured media	73,029	65,335	11.8
Unmeasured	41,600	37,300	11.5
Total	114,629	102,635	11.7
By top brands	**1990**	**1989**	**% chg**
NutraSweet sweetener	23,008	25,644	(10.3)
Equal sweetener	12,076	9,142	32.1
Monsanto carpet	11,392	286	NA
Simple Pleasures frozen dessert	5,541	0	NA

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	8,995	8,681	3.6
Earnings	546	679	(19.6)
U.S.	**1990**	**1989**	**% chg**
Sales	5,685	5,590	1.7
Operating income	639	721	(11.4)
Division sales	**1990**	**1989**	**% chg**
Agricultural products	1,676	1,717	(2.4)
Chemicals	4,035	4,065	(0.7)
Fisher Controls	927	852	8.8
NutraSweet	933	869	7.4
Pharmaceuticals	1,424	1,178	20.9

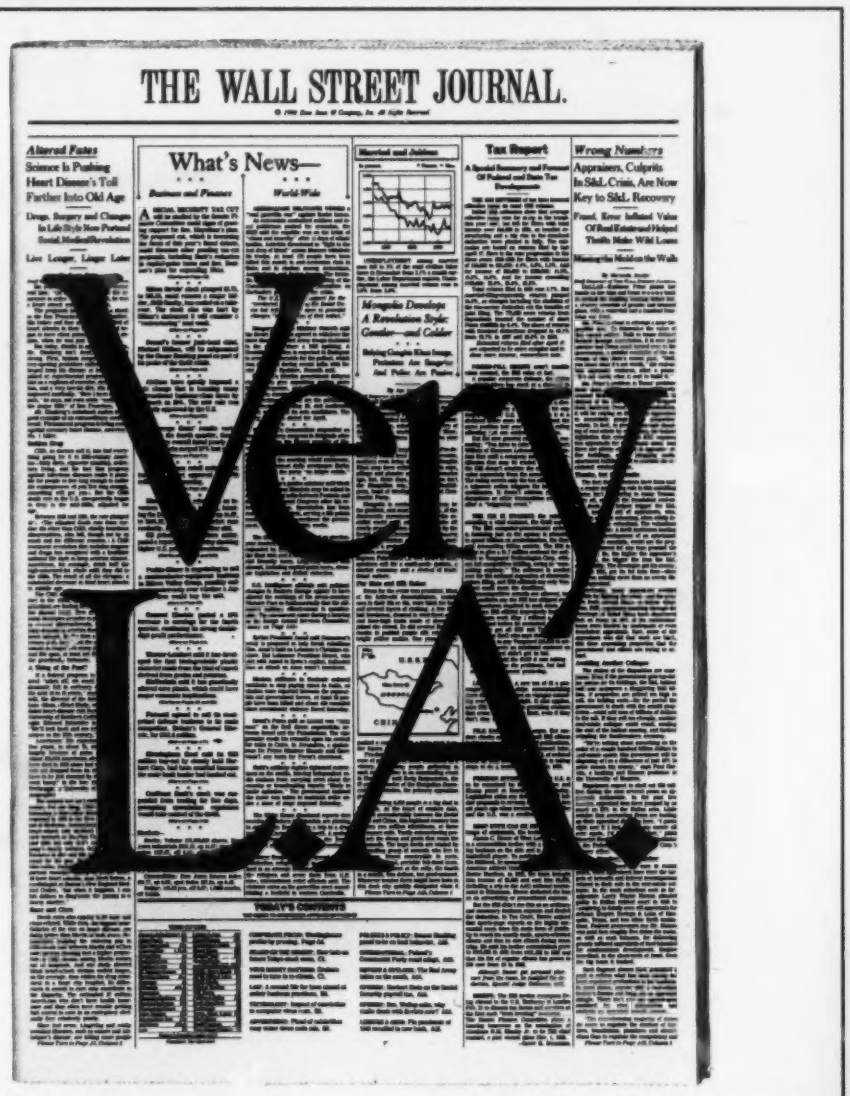
CORPORATE PROFILE

With patent protection for aspartame ending in the U.S. in December 1992, Monsanto Co. has begun an extensive campaign to build consumer loyalty for its NutraSweet brand.

The product's eponymous subsidiary, NutraSweet Co., also is spending heavily to introduce a second potentially big product line, the fat substitute Simplesse. Just as Equal tabletop sugar substitute was the consumer "taste" test for NutraSweet when it entered the market 10 years ago, a frozen dairy dessert line called Simple Pleasures is Simplesse's taste vehicle.

Backing for both substitutes claimed 62%, or $44.6 million, of Monsanto's total media spending in 1990, up from 58%. The subsidiary accounted for 10% of Monsanto sales and 20% of operating income in 1990.

Monsanto is a leading producer of her-



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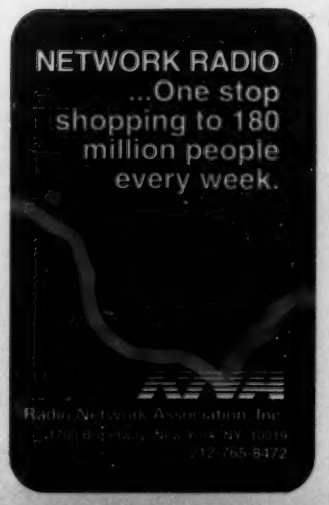

bicides, pesticides and fertilizers, and advertises the products mostly in farm journals—part of unmeasured media in *Ad Age's* ad totals for Monsanto. Its carpets and fibers received sizable consumer ad support, last year reaching $13.4 million in media, up 21.8%.

G.D. Searle & Co., its pharmaceutical company, developed aspartame and laxative Metamucil, among others. Searle retained foreign marketing rights to the top-selling laxative when it sold the product to Procter & Gamble Co. in 1985. The foreign rights were turned over to P&G in January 1991.

NutraSweet enters its critical new age with a new agency, Chiat/Day/Mojo, winner of the $35 million U.S. sweetener account in December 1990 from Ogilvy & Mather, Chicago. O&M kept the $15 million overseas NutraSweet business and the estimated $10 million Equal tabletop sweetener account. Several months later, O&M, which also had retained the Simplesse business, lost it to FCB/Leber Katz Partners. Chiat's first big effort was a $25 million marketing campaign that broke this May.

Monsanto needs to get the consumer to insist on NutraSweet. But Coca-Cola Co. and PepsiCo, which are 80% of the market for NutraSweet, can produce their own when the patent expires. Even if they don't, they are likely to get a better price from Monsanto or another producer.

NutraSweet sells for about $90 a pound in the U.S. It is about $25 a pound in countries without patent protection. Prices dropped 6% worldwide in 1990.

The company is broadening its use of NutraSweet with two products in test: Desserve, a line of reduced-sugar, lower-calorie desserts, salads and sandwiches marketed through Mrs. Fields Inc. outlets, and tabletop Sugar Delight, a blend of 1% NutraSweet sweetener and 99% sugar. The plain sugar sweetener market is much larger than the market for substitute sweeteners.

Simplesse currently faces competition from Pfizer's Litesse. Both P&G's olestra and Kraft General Foods' Trailblazer await FDA approval, and A.E. Staley Co.'s Stellar, remains under development.

This August the FDA extended the use of Simplesse from frozen goods to a wide range of products, including mayonnaise and baked goods.

Simple Pleasures Light frozen dessert, introduced this spring, became the first product made with both Simplesse and NutraSweet. Baskin-Robbins Ice Cream Co. also launched a Simplesse-based frozen dessert into its dipping stores nationwide.

HEADQUARTERS

Monsanto Co./800 N. Lindbergh Blvd./St. Louis, Mo. 63167/Phone: (314) 694-1000.

PERSONNEL, BRANDS, AGENCIES

MONSANTO AGRICULTURAL CO.: Robert B. Shapiro, pres; James I. Brezovec, dir-mktg, crop protection prods; Arnold W. Donald, vp-residential prods div; Jerry Neff, dir-U.S. Roundup div.

Crop protection products, Roundup: BTB Communications, St. Louis. Joe Osborn, pres.

Residential products: Patrick Co., St. Louis. Tom Graves, vp.

MONSANTO CHEMICAL CO.: Robert G. Potter, pres; David L. Sliney, vp-mktg; Joan Cornwall, dir-mktg comms.

FISHER CONTROLS INTERNATIONAL: Larry W. Solley, chmn-ceo-pres; John R. Weekley, vp-sales/mktg, N. Amer.

Mintz & Hoke, Avon, Conn. Jim Hazen, acct mgr.

NUTRASWEET CO.: Robert E. Flynn, chmn-ceo; Lauren S. Williams, pres-coo; Jan Novak, vp-sales/mktg.

Equal: Ogilvy & Mather, Chicago. Myron Lyskanycz, super-grp acct dir.

NutraSweet: Chiat/Day/Mojo, Venice Calif. Bob Grossman vp-mgmt super.

G.D. SEARLE & CO.: Sheldon G. Gilgore, chmn-pres-ceo; Chuck Fry, vp-corp public affairs; Joseph Curti, pres-N. Amer. operations.

William Douglas McAdams, New York. Eugene Fine, super.

RANK: 51

Montgomery Ward & Co.

Chicago

Ad spending: $205.6 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	540	359	50.4
Sunday magazine	66	6	1,037.9
Newspaper	82,101	67,241	22.1
Outdoor	41	4	1,008.1
Spot TV	17,069	23,236	(26.5)
Spot radio	3,389	16,373	(79.3)
Measured media	103,206	107,219	(3.7)
Unmeasured	102,400	106,400	(3.8)
Total	205,606	213,619	(3.8)

U.S. AD SPENDING ($ in thousands)

By top brands	1990	1989	% chg
Montgomery Ward household	41,251	31,394	31.4
Montgomery Ward general	34,902	42,155	(17.2)
Montgomery Ward apparel	13,063	11,059	18.1
Montgomery Ward automotive	7,523	8,093	(7.0)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	5,500	5,323	3.3
Earnings	153	151	1.3

CORPORATE PROFILE

Montgomery Ward & Co., the ninth-largest U.S. retailer, has stuck to its game plan of opening 15 to 20 new stores per year, while adding more national brand names to its merchandise mix and aggressively promoting its separate specialty store formats.

Ward's, unlike many retailers in today's market, isn't under a cloud of heavy debt. Though it became highly leveraged in a 1988 buyout led by managers including Chairman-CEO Bernard Brennan, that debt has been reduced to $600 million from more than $2 billion.

Since early 1990, Ward's has added 30 new full-line stores, divided into its four major specialty formats of Electric Avenue, Home Ideas, the Apparel Store and Auto Express.

Subspecialties have been added to the major specialty formats, including the Kids Store within most of its Apparel Store locations and Gold 'N Gems jewelry shops attached to about half the Apparel Store outlets.

A new subspecialty window furnishings store called Window Ideas is being tested within some of Ward's Home Ideas shops.

The bulk of Ward's advertising is in newspapers, which got a 22.2% increase, with most spent on midweek and Sunday newspaper inserts, handled in-house. Newspaper growth was a media reapportionment, primarily from spot TV allocations, which dropped 26%.

In late 1990, Ward's indicated it would increase its spot TV by reviewing its broadcast account, which had been at Saffer Advertising for two years. After a protracted review, the $25 million account went to D'Arcy Masius Benton & Bowles.

This June, Ward's surprised many saying it planned to re-enter the catalog business. In 1985, the company had closed the money-losing operation that generated $1.5 billion in revenue.

This time, Ward's won't have its own catalog but will work closely with about 20 existing specialty catalog marketers in a joint marketing venture.

Former general catalog President Richard Bergel was named to head the new operations; most recently, he was president of store operations.

In May, Ward's announced a new national marketing partnership with Thrifty Rent-A-Car System, primarily aimed at building the retailer's credit card usage. Thrifty will add outlets in most Ward's Auto Express stores. Ward's promoted the Thrifty connection in newspaper ads and direct mail.

In its stores, Ward's continues to add national brands, including licensing Maytag Corp.'s Admiral name for a line of private-label appliances, and Bell & Howell's name for a line of private-label camcorders and consumer electronics.

HEADQUARTERS

Montgomery Ward & Co./Montgomery Ward Plaza/Chicago, Ill. 60671/Phone: (312) 467-2000.

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PERSONNEL, BRANDS, AGENCIES

CORPORATE: William J. McCarthy, pres-mktg; Jack Kramer, vp-adv operations; Ron Nugent, dir-promo planning/adv admin; Jim Neustadt, dir-creative adv; Bill Motsinger, dir-merch mktg.

Montgomery Ward: D'Arcy Masius Benton & Bowles, Chicago. Michael J. Leonhardt, sr vp-grp acct dir.

RANK: 14

Nestle SA

Vevey, Switzerland
Ad spending: **$635.9** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	69,375	77,767	(10.8)
Sunday magazine	4,633	3,352	38.2
Newspaper	4,357	2,553	70.7
Outdoor	942	158	495.9
Network TV	145,571	125,785	15.7
Spot TV	50,490	56,118	(10.0)
Syndicated TV	36,735	33,468	9.8
Cable TV networks	8,390	6,595	27.2
Network radio	2,394	8,113	(70.5)
Spot radio	2,908	2,700	7.7
Measured media	325,795	316,609	2.9
Unmeasured	310,100	301,400	2.9
Total	635,895	618,009	2.9
By top brand	**1990**	**1989**	**% chg**
L'Oreal Plenitude skin cream	20,197	12,331	63.8
Taster's Choice coffee	20,141	19,647	2.5
L'Oreal hair coloring	19,287	221,166	(8.9)
Friskies cat food	15,138	10,696	41.5
Coffee-mate non-dairy creamer	13,735	9,250	48.5
L'Oreal lip & eye prdts	11,793	3,130	276.7
Safari perfume	11,606	0	NA
Lancome creams & lotions	10,946	11,940	(8.3)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	36,511	30,596	19.3
Earnings	1,780	1,536	16.5

CORPORATE PROFILE

Nestle SA, the world's largest food company, in January 1991 folded its scattered U.S. food business into a holding company, Nestle USA, run by President-CEO Timm Crull, who came from the same post at Nestle's Carnation Co. It projected 1991 sales would rise above $7 billion.

Nestle USA this March sifted 15 companies into six units: Nestle Beverage Co. includes coffee, tea, juice and Coffee-mate; Nestle Food Co. oversees the food business; Nestle Frozen/Refrigerated Food Co. manages Stouffer frozen entrees, the Contadina refrigerated line and ice cream; and Nestle Brands, The Foodservice Co., runs Nestle USA's institutional food sales. Stouffer Hotels, Resorts and Restaurants and Wine World Estates, a California wine marketer, remain basically unchanged.

Nestle USA in April 1991 consolidated all media buying at McCann-Erickson Worldwide after soliciting media proposals from all its agencies. McCann set up a unit, Comcord Group, to service the account. McCann three years ago had only about $5 million in Nestle business.

Nestle USA was comparatively quiet on the new-product front. Nestle Beverage in April 1991 introduced Hills Bros. Perfect Balance, the first half-regular, half-decaffeinated coffee available nationally. Nestle Food this month introduced nationally Libby's Diner, a shelf-stable microwave line closely resembling Dial Corp.'s Lunch Bucket.

Nestle Frozen/Refrigerated Food in May 1991 voluntarily dropped "fresh" from the label of Contadina Fresh refrigerated pasta sauces after meeting with the FDA.

It boosted chocolate and confection media spending in 1990 by 39.2% to $38.4 million, largely reflecting the purchase of Butterfinger from RJR Nabisco.

The company cut spending on pet foods by 17.2% to $28 million. Nestle's Carnation, ranked No. 2 in the $5.7 billion supermarket pet food market, rose from a 13.9% share to 14.4% in 1990, compared with leader Ralston's 26.4%, according to John C. Maxwell Jr. of Wheat, First Securities.

Nestle inched up media spending by 1.9% to $38 million for Stouffer frozen foods, which have been under assault from ConAgra's Healthy Choice and other brands that hype nutrition.

Nestle coffee brands received $31 million in media in 1990, down 10.2%. That reduction is the result of Nestle slashing spending by 92.5% to $651,300 on Nescafe; Nestle restaged the brand in early 1991 as Nescafe Coffee Crystals, borrowing an idea from Procter & Gamble Co.'s Folgers. Nestle holds 33.3% of the instant market, second to Kraft General Foods' 36.3%.

Nestle Beverage is testing ground coffee versions of Nescafe and Taster's Choice and Nescafe Mocca Cooler iced coffee. The latter might get subsumed by a joint venture between Nestle USA's parent and Coca-Cola Co. to market ready-to-drink iced coffee and tea worldwide.

Cosmair, the U.S. marketing arm of France's L'Oreal that is majority-owned by Nestle, increased media spending in 1990 by 17.4% to $118.1 million.

The mainstay L'Oreal line received $73.1 million in media spending, up 19.2%, much of that increase from the $9.1 million spent supporting new L'Oreal shampoo. Cosmair's other major product line, Lancome, increased spending 11.5% to $23.6 million.

Cosmair's chairman, Jacques Correze, 79, died in June 1991 shortly after he resigned following disclosure that the U.S. Justice Department was reviewing his pro-Nazi activities during World War II. Lindsay Owen-Jones, L'Oreal's chairman-ceo, added the title of Cosmair chairman.

HEADQUARTERS

Nestle SA/Avenue Nestle 5/CH-1800 Vevey, Switzerland.

Nestle USA/800 N. Brand Blvd./Glendale, Calif. 91203/Phone: (818) 549-6000.

PERSONNEL, BRANDS, AGENCIES

NESTLE USA: John McMennamin, vp-mktg svcs; Anne Fox, corp media dir.

Nestle USA-media buying: Comcord Group (McCann-Erickson Worldwide), New York. George T. Hayes, dir.

NESTLE BEVERAGE CO.: Barry Reis, sr vp-mktg.

Nescafe coffee, Taster's Choice coffee, Hazina, Coffee-mate: McCann-Erickson, New York. Michael Mainthow, vp-acct dir.

Nestle Quik: McCann-Erickson, San Francisco. Claire Roundal, sr vp-mgmt super.

Hills Bros. coffee, Chase & Sanborn coffee, Carnation Hot Cocoa: Cohen/Johnson, Los Angeles. Mark Johnson, pres. Hawk Media, San Francisco. Scott Cowan, media super.

MJB coffee: Hal Riney & Partners, San Francisco. Andrea Alfano, vp-mgmt super.

Juicy Juice, Kern, Libby's juices: Bloom FCA!, Dallas. Laura Black, acct super.

Hispanic adv: coffee, Coffee-mate: La Agencia de Orci & Asociados, Los Angeles. Roberto Orci, sr vp-acct mgmt rep.

NESTLE FOOD CO.: John McMennamin, vp-mktg svcs.

Carnation Instant Breakfast, Contadina canned products, Friskies cat food, Cause 'N Get It dog food, Grand Gourmet dog food, Mighty Dog dog food, Superior Brands pet treats, Libby's Diner entrees, Libby pumpkin, Libby canned meats, Carnation evaporated milk: Dailey & Associates, Los Angeles. John Stranger, sr vp-mgmt super.

Fancy Feast cat food, Carnation Follow-Up & Good Start infant formulas: McCann-Erickson, Los Angeles. Alan Burgia, sr vp-mgmt rep.

Carnation infant formulas-direct marketing: McCann Direct, New York. Keith Weid, vp-mgmt super.

Carnation infant formulas-professional adv: M.E.D. Communications, Woodbridge, N.J. Randi Kessler, acct super.

Carnation infant formulas-Hispanic adv: La Agencia de Orci & Asociados, Los Angeles. Roberto Orci, sr vp-acct mgmt rep.

Nestle Crunch, Goobers, Raisinets, Bit-O-Honey, 100 Grand Bar, Laffy Taffy, Baby Ruth, Butterfinger: Jordan, McGrath, Case & Taylor, New York. Stephen Badenhop, exec vp.

D'Lisney, Chunky, Nestle Bars, Alpine White, After Eight, Turtles, Tollhouse, Nestle Morsels: J. Walter Thompson USA, New York. Bruce Kelley, sr vp-mgmt dir.

SweeTARTS: Glennon & Co., St. Louis. Lora Reardon, acct exec.

NESTLE FROZEN/REFRIGERATED FOOD CO.: Jerry DeCroce, vp-mktg svcs.

Lean Cuisine: Tatham/RSCG, Chicago. Robert Hielscher, mg partner.

Stouffer: Della Femina, McNamee, Pittsburgh. Richard Grinberg, sr vp-mgmt super.

Dreyer's ice milk, Carnation ice cream, Drumstick cookie cones, Fibbalicious push-ups, Simply Sundaes: Fahlgren Martin, Dublin, Ohio. Lisa Hamilton, vp-acct dir.

Ben Buns ice cream sammies; Baby Ruth, Butterfinger, Nestle Crunch, 100 Grand ice cream bars: Jordan, McGrath, Case & Taylor, New York. Stephen Badenhop, exec vp.

STOUFFER HOTELS, RESORTS AND RESTAURANTS: Rick Cassara, vp-mktg, restaurants; Robert Nance, dir-adv, hotels.

Stouffer hotels, resorts, restaurants: Wyse Advertising, Cleveland. Bill Smith, vp-acct grp super.

WINE WORLD ESTATES: Janelle Thompson, sr vp-mktg.

Beringer, C&B Vintage Collars, Chateau Souverain, Nielson Beutz, Meridian, Napa Ridge: Fran Hulse Advertising, San Francisco. Fran Hulse, pres.

CORMAIR INC.: Guy Peyrelongue, pres-ceo.

Colorvive Toolsicare, Preference, Studio Line hair-care products; Drakkar Noir, Vendarbilt fragrances; L'Oreal cosmetics: McCann-Erickson Worldwide, New York. Annette McEvoy, grp acct dir.

Aramel, Lancome, Plenitude, Niotherm: Publicis, New York. Frederick Rhines, pres-ceo.

Ralph Lauren fragrances: Carlson & Partners. Sandra Carlson, pres.

RANK: 88

News Corp.

Sydney
Ad spending: **$126.7** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	13,846	12,583	10.0
Sunday magazine	145	93	56.2
Newspaper	28,471	21,419	32.9
Outdoor	600	124	382.6
Network TV	24,787	26,461	(6.3)
Spot TV	27,880	29,514	(5.5)
Syndicated TV	6,459	4,792	34.8
Cable TV networks	3,327	2,600	27.9
Network radio	1,449	2,194	(34.0)
Spot radio	14,205	24,759	(42.6)
Measured media	121,169	124,539	(2.7)
Unmeasured	5,500	5,700	(3.5)
Total	126,669	130,239	(2.7)
By top brands	**1990**	**1989**	**% chg**
20th Century Fox movies	78,427	52,787	48.6
Fox Broadcasting Co TV network	24,849	14,154	75.6

SALES & EARNINGS ($ in millions)

Worldwide	1991	1990	% chg
Sales	8,587	6,720	27.8
Earnings	(308)	263	NA
U.S.	**1991**	**1990**	**% chg**
Sales	5,134	3,780	35.8
Operating income	805	613	31.3

CORPORATE PROFILE

Project Dolphin, the code name for a restructuring of News Corp.'s massive $7.6 billion debt load initiated last fall, may have prevented the collapse of Rupert Murdoch's global media empire.

Recessions in the company's three primary markets—the U.S., U.K. and Australia—added to Mr. Murdoch's headaches in the past year.

The company that built a mountain of debt throughout the 1980s by paying top dollar to acquire such media properties as *TV Guide* and 20th Century Fox Film Corp., is now focusing on lowering its debt and operating its core businesses.

That strategy was underscored by the sale in June of eight consumer magazines and the *Daily Racing Form* to K-III Holdings for $650 million. The sale reduced News Corp.'s U.S. magazine holdings to *TV Guide*, which it refused to sell, and the money-losing *Mirabella*, which K-III refused to buy.

Soon after announcing the K-III sale, News Corp. ceased publication of the U.K. edition of *Mirabella* and said it was open to discussing the sale of other U.K. titles. In August, it sold *New Woman*, *Car* and *Supercar & Classics* to U.K. publisher EMAP for $17 million. Mr. Murdoch continues to publish the U.K edition of *TV Guide* and *Sky Magazine*, jointly owned by News Corp. and Hachette S.A.

The U.S. *TV Guide* has been battered by a prolonged ad page and circulation slide. In July, it lowered its rate base 3.8% to 15.2 million, citing slumping single-copy sales. One reason for the decline at newsstand could be the lack of ad spending: Media support totaled just $4.2 million for the magazine, down from $18.7 million and a shadow of 1988's $36.5 million. The drop was a result of the magazine ending a long-running barter arrangement with local TV stations.

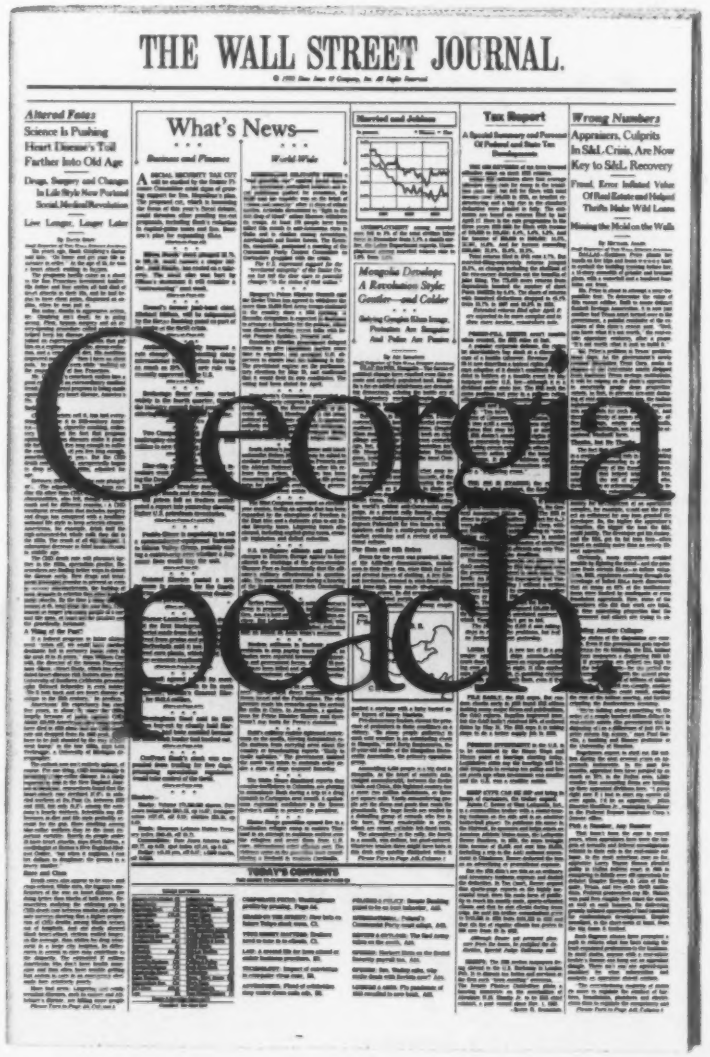
TV Guide recently asked Chiat/Day/Mojo and BBDO Worldwide to compete for a new $20 million to $25 million consumer account aimed at steadying circulation declines.

Movie studio 20th Century Fox finished the year ranked third, with a 14% box office share in North America, up from 6% and sixth-place finish, according to *Variety*. "Home Alone" has taken in about $281 million to date, making it the No. 3 movie of all time. Fox also got strong performances from "Die Hard 2" and "Sleeping With the Enemy."

In December, the studio hired Joel Hochberg, former president of DDB Needham Worldwide's Chicago office, as president of domestic marketing, with the goal of adding more sophistication to its movie marketing efforts.

The studio increased media spending last year 48.0% to $78.4 million, distributed primarily between newspapers and network and spot TV. "Home Alone" and "Die Hard 2" got the most media support —$11.6 million and $11.1 million, respectively.

The Fox TV network appeared to lose momentum in the past year. Its average household Nielsen rating fell 2% to 6.4 for the 1990-91 season and it wrote just $400 million in upfront business, down 20%. The network has a lock on younger demographics with a median age of 28 (CBS's is 44). Fox introduces new shows throughout the year instead of just during the fall season, and spreads promotion dollars accordingly.



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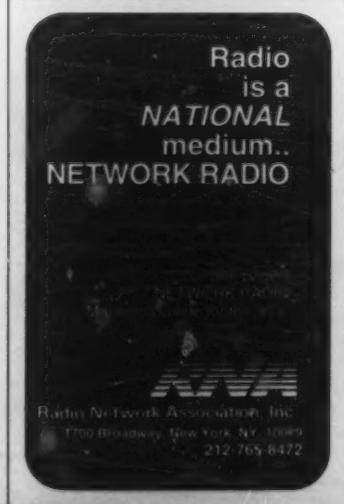

HEADQUARTERS

News Corp./2 Holt St./Sydney, Australia N.S.W. 2010.

News America Publishing/1211 Avenue of the Americas/New York, N.Y. 10036/Phone: (212) 852-7000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Rupert Murdoch, ceo/chmn-News America Publishing; Leslie Hinton, pres-News America Publishing; Barry Diller, chmn-Fox Inc.; Greg Mathanson, pres-Fox TV Stations; Bill Schereck, vp-Fox Cable Programming; Jamie Kellner, pres-coo, Fox Broadcasting Co.; George Craig, ceo-HarperCollins Publishers.

News America Publishing, Fox TV Stations, Fox Broadcasting, HarperCollins Publishers: In-house. Leon Hertz, exec vp-News America Publishing/vp-global mktg, News Corp. Ltd.

TWENTIETH CENTURY FOX FILM CORP.: Joe Roth, chmn.

Young & Rubicam, New York/Los Angeles. Nancy Smith, exec vp.

RANK: 58

Nike Inc.

Beaverton, Ore.

Ad spending: **$178.8** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	24,887	18,930	31.5
Sunday magazine	133	2	6,900.0
Newspaper	290	330	(12.1)
Outdoor	234	292	(20.0)
Network TV	42,769	24,206	76.7
Spot TV	5,995	1,291	364.5
Syndicated TV	7,656	3,428	123.3
Cable TV networks	5,735	2,385	140.5
Spot radio	1	466	(99.8)
Measured media	87,700	51,328	70.9
Unmeasured	91,100	53,300	70.9
Total	178,800	104,628	70.9
By top brands	**1990**	**1989**	**% chg**
Nike sporting footwear	69,300	31,064	123.1
Nike sportswear	8,209	14,166	(42.1)
Cole-Haan shoes	5,289	1,887	180.2

SALES & EARNINGS ($ in millions)

Worldwide	1991	1990	% chg
Sales	3,004	2,235	34.4
Earnings	287	243	18.1
U.S.	**1991**	**1990**	**% chg**
Sales	2,151	1,760	22.2
Operating income	325	315	3.2
Division sales	**1991**	**1990**	**% chg**
Athletic footwear	1,676	1,369	22.4
Non-athletic footwear	139	121	14.9
Apparel	326	266	22.6
Foreign	862	480	79.6

CORPORATE PROFILE

After widening its market share lead over Reebok International to 7.7 percentage points in 1990, Nike this year began looking overseas for growth.

Nike, the leading U.S. athletic shoe brand, in February began a $20 million, 60-day global introduction of the Air 180 running shoe. The Air 180 was Nike's first global product launch and believed to be the first in the athletic shoe industry.

The U.S. athletic shoe market grew 20% to 25% annually in the mid-1980s, but growth is expected to slow to 6% to 7% this year.

Domestically, Nike sprinted past arch-rival Reebok International in 1990, increasing its share of the $5.5 billion U.S. athletic shoe market to 28.4%, while Reebok's share fell to 20.7%.

Driving its increased sales was a whopping 70.9% increase in media spending to $87.7 million. Spending for Nike brand footwear and apparel mirrored that, rising 71.6% to $78.3 million.

Still, the battle between Nike and Reebok is expected to tighten this year, due to strong sales for Reebok's Pump and the recession, which has softened the $60-to-$90 segment of the market where Nike does most of its business.

Nike last year boosted its spending for Nike brand women's shoes and apparel 78.6%, to $7.2 million. To further appeal to fashion-conscious young women, Nike this spring relaunched its Side 1 brand of shoes and apparel. Side 1 was originally introduced in 1989 as a fitness-inspired casual line but was reworked as an athletic shoe line designed to appeal to teens and less serious sports participants.

Nike also turned the injury to spokesman Bo Jackson into an advantage. Nike garnered millions of dollars in free media attention by teaming Mr. Jackson with another athlete who made an incredible comeback, boxer George Foreman, in a splashy 60-second "Bo Knows" commercial called the "Bo Show."

HEADQUARTERS

Nike Inc./One Bowerman Dr./Beaverton, Ore. 97005/Phone: (503) 671-6453.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Tom Clarke, vp-gm, sports & fitness brand; Andy Mooney, vp-prod mktg; Stephen Gomez, vp-core categories; Scott Bedbury, dir-adv; Tim O'Kennedy, dir-intl mktg; Ron Nelson, vp-sports casuals; Nancy Monsarrat, dir-adv, sports casuals.

Nike, Side 1: Wieden & Kennedy, Portland, Ore. John Russell, mgmt super.

Broadcast media buying: Nike, Side 1: SFM Media, New York. Bill Barrett, sr vp-dir, client svcs.

Ethnic mktg: Nike, Side 1: Muse Cordero Chen, Los Angeles. Jo Muse, pres.

La.: Cole & Weber, Seattle. Jon Dietrich, acct mgr.

COLE-HAAN: Cathy Taylor, vp-retail.

RANK: 27

Nissan Motor Co.

Tokyo

Ad spending: **$410.2** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	50,150	31,339	60.0
Sunday magazine	1,066	836	27.6
Newspaper	12,368	5,321	132.4
Outdoor	1,808	391	362.0
Network TV	125,792	73,425	71.3
Spot TV	108,189	113,502	(4.7)
Syndicated TV	17,237	4,936	249.2
Cable TV networks	4,821	2,321	107.8
Spot radio	2,013	4,971	(59.5)
Measured media	323,445	237,043	36.5
Unmeasured	86,800	63,600	36.5
Total	410,245	300,643	36.5
By top brands	**1990**	**1989**	**% chg**
Nissan cars	197,660	173,750	13.8
Infiniti cars	40,186	32,755	22.6
Nissan trucks & vans	38,246	24,466	56.3

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	42,300	40,000	5.8
Earnings	340	823	(58.7)

CORPORATE PROFILE

Despite intense competition and a stale lineup lacking new models, Nissan Motor Corp. USA maintained its share of the U.S. car/truck market during 1990 while localizing its national marketing plan.

Financial returns were less accommodating corporatewide. Profits at parent Nissan Motor Co., Tokyo, plummeted far below the "slight" decline expected as losses from the bankruptcy of a 43%-owned supplier affiliate, Ikeda Bussan Co., were a major culprit. Earnings aren't expected to rebound until 1993 when new models go to market.

Nissan division's 1990 U.S. car/truck unit sales (imported and domestic production) slipped 9.7% to 597,643 for a 4.3% share of the car/truck market, down from 4.5%. The Infiniti division accounted for 23,960 units and a 0.2% share of the total car/truck market.

Emphasizing that it has quit chasing Honda and Toyota for volume sales, the Nissan division focused on adding new regional marketing managers and giving them vastly increased marketing budgets. Each region is responsible for development and implementation of its own marketing plan to run with the national plan from agency Chiat/Day/Mojo.

Nissan division plans to sell 700,000 vehicles annually in the U.S. by 1993, and maybe 1 million annually by 1995, after new capacity comes on line at its plant in Smyrna, Tenn.

The $40,000 Q45 was Infiniti's best-seller at 13,911 units, followed by the $24,500 M30 model at 6,603 units and the newest addition introduced last Septem-

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ber, the $17,750 G20 midsize luxury sedan, accounting for 3,446 units. A convertible M30 model debuted this February.

Sales of Nissan's best-selling Sentra, an entry-level subcompact, accounted for 159,054 units. A rise in Sentra sales had the support of an estimated $45 million in measured media for 1990, up about 200%.

Media spending by Nissan generally was up across the board for all nameplates, totaling $323.4 million, up 39.3%. These expenditures don't include spending by dealer associations or dealer leasing programs, which totalled $80 million. Nissan's contribution to that spending is folded into its unmeasured ad total.

The top-of-the-line Maxima was backed by $14.5 million in media advertising, down from $35 million.

After relating the upscale Infiniti to abstract images of rocks, trees and solitary shorelines, agency Hill, Holliday, Connors, Cosmopulos took a more product-specific approach. New TV spots mixed art and technology to position the car as a blend of luxury and performance. Media spending reached $40.2 million, up 22.6%.

To support the national launch of Sentra, largest in Nissan history, the company continued its "Fantasy" campaign into its second year.

The dreamlike scenarios, featuring various Nissan models, have proved effective in forming positive perceptions of the brand. Sentra drew $48 million in media spending, up from $18.5 million spent during the initial introductory period in 1989.

Into the 1991 model year, Nissan sought to spark slumping sales by cutting into budgets to find an extra $50 million to put into a three-month incentive program.

HEADQUARTERS

Nissan Motor Corp. USA/P.O. Box 191/Gardena, Calif. 90247-7635/Phone: (213) 532-3111.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Haruo Ohno, pres-Nissan N. Amer.; Tom D. Mignanelli, pres-Nissan Motor Corp. USA; Robert J. Thomas, vp-corp strategy/resource devel.

NISSAN DIV: Earl Hesterberg, vp-gm; Ron Hannum, genl mktg mgr; John Rinek, natl adv mgr; Karen Gustafson, adv media mgr; William Bivens, merch mgr.

Chiat/Day/Mojo, Venice, Calif. Tom Patty, exec vp-acct dir.

INFINITI DIV: Hilliam Bruce, vp-gm; Robert Paske, genl mktg mgr; Jack Collins, adv mgr; Brian O'Malley, merch mgr; John Nystrom, regional mktg mgr.

Hill, Holliday, Connors, Cosmopoulos, Marina Del Rey, Calif. Terry Foutz, sr vp-acct dir.

RANK: 94

Nynex Corp.

New York

Ad spending: $121.5 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	7,522	6,910	8.8
Sunday magazine	838	1,248	(32.9)
Newspaper	17,813	14,843	20.0
Outdoor	272	213	27.9
Network TV	87	0	NA
Spot TV	32,351	33,260	(2.7)
Syndicated TV	0	22	NA
Cable TV networks	355	266	33.4
Spot radio	3,952	6,041	(34.6)
Measured media	63,189	62,804	0.6
Unmeasured	58,300	57,900	0.7
Total	121,489	120,704	0.7

By top brands	1990	1989	% chg
New York Telephone Co.	17,190	15,138	13.6
Corporate spending	16,845	15,639	7.7
New England T&T Co.	12,786	15,218	(16.0)
Nynex Information Resources Co.	8,655	10,130	(14.6)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	13,585	13,211	2.8
Earnings	949	808	17.5
Division sales	**1990**	**1989**	**% chg**
Local service	5,651	5,494	2.9
Long distance	1,365	1,411	(3.2)
Network access	3,292	3,293	(0.0)
Other	3,277	3,013	8.8

CORPORATE PROFILE

Nynex Corp. late this year has been examining its media buying practices with possible intent to consolidate more than $63.1 million in buying. Media is now purchased by seven agencies.

The move follows the assignment of the $20 million corporate account to Ogilvy & Mather from Young & Rubicam. The same consultancy brought in to help Nynex in the agency review process is involved in the media evaluation.

Nynex, which underwent restructuring in 1990, now consists of two principal groups: Telecommunications, whose operating units include two telephone companies; and Worldwide Services, housing Nynex Mobile Communications, software and consulting businesses and Nynex Network Systems Co.

Apart from corporate advertising, Nynex spent the most on New York Telephone, $17.1 million, up 13.6%.

New England Telephone advertising dropped 16% to $12.8 million. This year it launched Signaling System 7 software into the network to expand the availability of new services such as Nynex Phonesmart services, including Caller ID service.

Information Resources Co. media spending dropped 14.6% to $8.7 million. The unit publishes more than 300 white pages and Yellow Pages directories a year.

HEADQUARTERS

Nynex Corp./335 Madison Ave./New York, N.Y. 10017/Phone: (212) 370-7400.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Matthew Stover, vp-public affairs/corp comms; Joan Walker, mg dir-mktg comms.

Corporate adv: Ogilvy & Mather, New York. Steve Harty, sr vp-exec grp dir.

NEW YORK TELEPHONE: Pat Mulhern, vp-public affairs/corp comms; Michael Clendenin, mg dir-public affairs; Jerome Cadigan, dir-adv.

Public Telephone, Public Telephone direct, direct mail, various programs: Grey Direct, New York. Margaret Myhan, acct super.

Direct Mail: Chapman Direct Advertising, New York. Rosemary O'Brien, vp-mgmt super.

Hispanic mktg: Conill Advertising, New York. Larry Shapiro, vp-grp dir.

Business & residential adv: Young & Rubicam, New York. Larry Shapiro, vp-grp dir.

NEW ENGLAND TELEPHONE: James Crain, vp-external affairs; Geraldine O'Brien, mg dir-adv.

Business & residential adv: Cabot Communications, Boston. Carolyn Smith, sr vp-mgmt super.

Residential direct mail: Cabot Direct, Boston. Suzanne Delice, vp-mgmt super.

General & business direct mail: Dickinson Printing & Mailing, Quincy, Mass. Reid Dickinson, pres.

Business direct mail: Rapp, Collins, Marcos, Boston. Karen Zahorsky, vp-mgmt super.

NYNEX INFORMATION RESOURCES CO.: Donald Mackenzie, pres; Bernie Bloomfield, vp-mktg.

Yellow Pages: Chiat/Day/Mojo, New York. Mary Maroun, mgmt super-vp.

Hispanic mktg: Conill Advertising, New York. Marisol Estay, acct exec.

NYNEX MOBILE COMMUNICATIONS: Dennis McManus, vp-N.Y. metro; Cynthia Woodyard, mgr-adv/promo, Upstate N.Y.-W. Mass; Lisa Clarey, mgr-adv/promo, New England Cellular Provider.

Collaterals: Lohmeyer Simpson Inc., Morristown, N.J. Valerie Moody, acct exec.

Upstate N.Y. & Western Mass.: Schnurr & Jackson, Albany, N.Y. Jesse Jackson, vp.

New England Cellular Provider: Leonard, Monahan, Lubars & Partners, Providence, R.I. Scott White, account exec.

RANK: 64

Paramount Communications

New York

Ad spending: $162.3 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	4,615	2,513	83.7
Sunday magazine	63	29	120.2
Newspaper	25,540	24,066	6.1
Outdoor	1,544	71	NA
Network TV	23,838	24,645	(3.3)
Spot TV	25,667	20,612	24.5
Syndicated TV	8,427	7,658	10.0
Cable TV networks	4,438	3,205	38.5
Network radio	703	829	(15.2)
Spot radio	3,346	1,816	84.2
Measured media	98,182	85,444	14.9
Unmeasured	64,100	55,800	14.9
Total	162,282	141,244	14.9
By top brands	**1990**	**1989**	**% chg**
Paramount Pictures	85,868	68,556	25.3

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	3,869	3,392	14.1
Earnings	259	1,465	(82.3)
Division sales	**1990**	**1989**	**% chg**
Entertainment	2,447	2,072	18.1
Publishing	2,072	1,320	57.0

CORPORATE PROFILE

Paramount Communications, which completed its first full fiscal year as an entertainment/media company in 1990, finds itself a hit-driven business, with fewer hits than misses.

Its business segments now live or die by the fickle nature of public taste. The company posted back-to-back losses for the first two quarters of this fiscal year, ending Oct. 31, 1991, and, as such, its efforts to expand have been constrained.

Escalating costs associated with movie production and marketing helped depress results from Paramount Pictures.

The film business' biggest success, "Ghost," took the company by surprise. While expected to do well, "Ghost" was never targeted as the $200 million-plus blockbuster it became. Because of the film's longevity as a first-run feature (more than six months), ad spending hit $14.7 million, well above the $9.2 million used to hype "Days of Thunder," the film with the second-highest ad budget.

Produced for an estimated $50 million, "Days of Thunder" failed to break the all-important $100 million mark at the box office for a "blockbuster," though filled with product placement and teamed with promotional partners.

Paramount this year began a generic campaign for all its summer releases. The studio teamed with Kmart Corp. and other marketers for a summer program called "Passport to Summer Entertainment." Participating theater chains planned to distribute 20 million game cards, which could be redeemed for discounts on Paramount Home Video products at more than 2,000 Kmart stores and free prizes from Hardee's Food Systems, Goodyear Tire & Rubber Co., Chrysler Corp., and Costa Cruises.

With 17 films released in calendar 1990, Paramount Pictures ranked second in its share of the U.S. and Canadian box office at 15%. In the previous year, the company released 14 features and ended the year with a 14% share, placing it fourth, according to *Variety*.

However, its share of the domestic box office dropped to 8.3% with seven films during the first half of this calendar year. To help the studio regain its position, Paramount Pictures hired NBC-TV wunderkind Brandon Tartikoff as chairman in July.

Media spending for the publishing operations increased 74.6% to $5.6 million in 1990, with the majority allocated to the Simon & Schuster imprint.

HEADQUARTERS

Paramount Communications, Inc./15 Columbus Circle/New York, N.Y. 10023-7780/Phone: (212) 373-8000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Nick Ashooh, vp-corp comms.

MOTION PICTURE GRP.: Arthur Cohen, pres-worldwide mktg; Nancy Goliger, exec vp-mktg/creative affairs; Michael Camp, Lucia Ludovico, sr vps-creative adv; Thomas Campanella, exec vp-natl adv/promo; Ron Hein, vp-mktg admin; Jerry A. Meadors, vp-mktg svcs; Leslie Pound, sr vp-intl mktg; Alfa Tate, sr vp-mktg; Susan Wrenn, vp-natl adv.

Ogilvy & Mather, Los Angeles. Ernie Shapiro, vp-acct super.

TELEVISION GRP.: Meryl Cohen, sr vp-adv/promo, Domestic TV; John Wentworth, vp-adv/promo/publicity, Network TV; Hollace Brown, sr vp-adv/sales promo, Network TV; Alan Perper, sr vp-mktg, Home Video.

Domestic TV: Jacobs & Gerber, Los Angeles. Ray Jacobs, Susan Kantor, acct dirs.

Network TV: Grey Advertising, New York. Gerry Logue, acct dir.

Home video: J. Walter Thompson USA, Los Angeles. Michael Arkin, vp-acct super. 90% (for Design), Hollywood, Calif. Henry Vizcarra, pres.

MADISON SQUARE GARDEN: Linda Burns vp-mktg, Entertainment & Attractions Grp.; Lee Berke, vp-mktg, MSG Network.

Madison Square Garden Network: Burkhardt & Christy Advertising, New York. Don Kurn, sr vp-mgmt super.

SIMON & SCHUSTER: Judith Press Brenner, sr vp-dir, corp comms/mkt planning.

Simon & Schuster trade div, Simon & Schuster, Pocket Books, Summit Books: Franklin Spier, New York. Rhonda Hall, vp-acct exec.

Prentice Hall Press: Design Source East, Hackensack, N.J. Carolyn Maletta, vp.

Prentice Hall School: Whitman Studios, Clinton, N.J. Jim Whitman, pres.

Lindero Curriculum Press: Belden, Frenz & Lehman, West Lake, Ohio. Jerry Fenton, pres.

Simon Systems Intl.: Marketel; Foster/McCann-Erickson, Montreal. John Woodfine, acct exec.

Simon & Schuster Human Resources: Tempo Advertising, New York. Irene Goldsmith, acct exec.

RANK: 28

J.C. Penney Co.

New York

Ad spending: $393.8 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	14,616	13,983	4.5
Sunday magazine	1,004	2,254	(55.5)
Newspaper	70,631	81,379	(13.2)
Outdoor	75	37	100.0
Network TV	41,427	31,494	31.5
Spot TV	9,676	6,613	46.3
Syndicated TV	2,434	2,536	(4.0)
Cable TV networks	1,090	1,134	(3.9)

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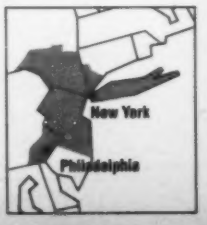

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U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Network radio	6,747	11,864	(43.1)
Spot radio	5,882	7,621	(22.8)
Measured media	153,581	158,914	(3.4)
Unmeasured	240,200	248,600	(3.4)
Total	393,781	407,514	(3.4)
By top brands	**1990**	**1989**	**% chg**
Penney's apparel	62,286	59,598	4.5
Penney's general	48,109	48,673	(1.2)
Penney's household	15,952	18,453	(13.6)
Penney's jewelry	11,661	10,719	8.8

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	16,365	16,103	1.6
Earnings	577	802	(28.1)
Division sales	**1990**	**1989**	**% chg**
J.C. Penney stores	14,616	14,469	1.0
Catalog	3,220	3,205	0.5
Drugstores	1,097	967	11.2

CORPORATE PROFILE

J.C. Penney Co. is rethinking its strategy for transforming itself into a fashion department store.

The nation's fourth-largest retailer has been hit hard by the recession: Same-store sales were down 0.3% and catalog dropped 0.5% for the fiscal year ended Jan. 31, 1991. The drop has been more precipitous the first six months of this fiscal year, with same-store sales off 4.2% and catalog sales off 8.1%.

The marketer in June '91 fired N W Ayer, its agency for eight years, and moved its estimated $45 million to $60 million account to Bozell without a review. Bozell had been agency of record for the J.C. Penney Shopping Channel, sold in 1991.

Penney's is expected to introduce a new campaign and theme line in early 1992, replacing Ayer's "Fashion comes to life," introduced in 1990. The company will likely push quality and value in its merchandising and future campaigns.

Analysts point to Penney's deal with Revlon to establish 420 in-store Beauty Stop boutiques as an example of where the retailer will be headed in the '90s.

HEADQUARTERS

J.C. Penney Co./14841 N. Dallas Parkway/Dallas, Texas 75240-6760/Phone: (214) 591-1000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: W. Barger Tygart, exec vp-dir merch; Ronald Shuler, dir-mktg comms; Dean Erickson, sales plans mgr; Edward Hayward, adv mgr; K.L. Baker, dir-merch/publicity/special events; Dave Nafziger, dir-visual merch; Don Hoggatt, visual merch design dir; Robert Burke, controller-merch; James L. Hailey, pres-Women's Div.; Marshall Beere, Marilee Cumming, Gerry Shores, vps-dirs, mktg/merch-Women's Div.; Thomas D. Hutchens, pres-Men's Div.; J. Raymond Pierce, Dave Fulcomer, div vps-dirs merch, Men's Div.; Henry H. Scott, pres-Children's Div.; Andrew Cumming, Tice Segal, div vps-dirs merch, Children's Div.; James J. Kennedy, pres-Home & Leisure Div.; J. Thomas Arthur, div vp-dir mktg, Home & Leisure Div.

J.C. Penney Stores & products: Bozell, Irving, Texas. Dennis Visich, dir-client svcs.

UNITS: Cathy Edwards, adv dir.

In-house.

THRIFT/TREASURY DRUGSTORES: Trish Orchard, ad mgr.

Marx Fairman, Glendale, Wis. David Marx, acct super.

RANK: 6

PepsiCo

Purchase, N.Y.

Ad spending: **$849.1** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	9,048	3,010	200.6
Sunday magazine	82	32	160.1
Newspaper	4,923	7,229	(31.9)
Outdoor	4,893	3,681	32.9
Network TV	193,447	168,815	14.6
Spot TV	284,602	264,648	7.5
Syndicated TV	18,001	10,062	78.9
Cable TV networks	13,119	9,741	34.7
Network radio	2,682	5,823	(53.9)
Spot radio	16,167	33,382	(51.6)
Measured media	546,964	506,422	8.0
Unmeasured	302,100	279,700	8.0
Total	849,064	786,122	8.0
By top brands	**1990**	**1989**	**% chg**
Kentucky Fried Chicken	118,406	118,594	(0.2)
Pizza Hut restaurants	106,951	95,184	12.4
Taco Bell restaurants	81,096	65,399	24.0
Pepsi beverages	79,412	75,387	5.3
Diet Pepsi beverage	76,471	58,952	29.7
Doritos snacks	24,621	21,466	14.7
Frito snacks	22,111	10,614	108.3
Mountain Dew beverage	11,690	10,244	14.1
Slice beverages	9,725	11,688	(18.2)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	17,803	15,242	16.8
Earnings	1,091	901	21.1
U.S.	**1990**	**1989**	**% chg**
Sales	14,047	12,519	12.2
Operating profits	1,853	1,602	15.7
Division sales	**1990**	**1989**	**% chg**
Soft drinks	6,523	5,777	12.9
Snack foods	5,054	4,215	19.9
Restaurants	6,226	5,251	18.6

CORPORATE PROFILE

Price wars, competitive encroachment and an ailing economy have triggered marketing moves at PepsiCo ranging from massive layoffs at its big profit generator, Frito-Lay, to a wave of new "health" products in all its segments.

PepsiCo took draconian measures to prop up Frito-Lay this month by laying off 7% of its workforce. The move will allow Frito-Lay, locked in a price-cutting war raging throughout the snack-food industry, to keep its prices low against further encroachment from Borden Inc. and Anheuser-Busch Cos.

Frito-Lay is critical to PepsiCo. The subsidiary, which holds 50% of the $9.7 billion snack-chips segment, accounted for 42% of PepsiCo's operating profits in 1990. F-L's U.S. profits dropped 9% in the second quarter '91 with no improvement expected the rest of the year.

PepsiCo's restaurant unit has led the new-product surge, although not without a hitch. Kentucky Fried Chicken Corp., now known by its initials KFC, has found the national rollout of SkinFree Crispy chicken meeting with limited success. The product's poor performance led PepsiCo to take a third-quarter '91 charge against earnings. KFC also is selling Honey BBQ Wings in some markets.

KFC, which commands about half the $6.4 billion U.S. quick-service chicken restaurant business, had 5% growth in same-store sales last year. That compared with a 13% boost in same-store sales at Taco Bell and 7% at Pizza Hut.

KFC's ad budget remained flat. But big gains in ad spending at Taco Bell (up 24%) and Pizza Hut (up 12.4%) boosted PepsiCo's overall media buying for its restaurant chains by 10% to $307 million.

In April, Taco Bell, which holds 70% of the Mexican-style restaurant market, introduced nationally four low-price, low-calorie chicken products, further extending the company's value menu. Then in June, came the 39¢ Fiesta Menu "snack size" fare supported by $12 million in spot and cable TV.

Pepsi-Cola Co. expanded in non-soft-drink beverage categories introducing into test All Sport, an isotonic; H2Oh!, a sparkling water; and Wild Bunch, a line of naturally flavored colas.

The growing diet segment posted case sales increases of 8.9% and a growth of 1.5 share points to 29.4% of the total soft-drink market, according to John C. Maxwell Jr. of Wheat, First Securities. No. 2 Diet Pepsi advanced 0.4 points to a 21% share, he said, while its case sales advanced 11.4%.

Meanwhile, No. 1 Diet Coke dropped 0.5 points to 31% of the diet segment as its case sales grew 7.5%. In the overall soft-drink market, Diet Coke was No. 3 at a 9.1% share and Diet Pepsi No. 4 at 6.2%. Diet Pepsi got a 29.7% boost in media spending to $76.5 million.

An upbeat TV campaign for Diet Pepsi featuring Ray Charles singing the new tagline, "You got the right one baby, uh-huh," broke in January.

The regular Pepsi brand didn't fare as well. It dropped 0.5 share points to 17.3% to rank No. 2 in the overall market, compared with nemesis Coca-Cola Classic, which slid only 0.1 points and still holding a leading 19.4% share.

Frito-Lay in 1990 went national with a "light" line of low-oil snacks, under the Doritos, Chee-tos and Ruffles names, supported with nearly $13 million in media. This February Frito's corn chip got a network TV campaign targeting younger consumers. F-L plans to double Frito spending to about $8 million in '91. Spending on its snack foods rose 23.5% in 1990 to $60 million.

HEADQUARTERS

PepsiCo/Anderson, Hill Rd./Purchase, N.Y./Phone: (914) 253-2000.

PERSONNEL, BRANDS, AGENCIES

PEPSI-COLA NORTH AMERICA: Craig E. Weatherup, pres-ceo; David Novak, exec vp-mktg/natl sales; Michael Lorelli, pres, Pepsi-Cola East; Ronald W. Tidmore, pres, Pepsi-Cola South; Mauricio Pages, pres, Pepsi-Cola Central; Christopher M. Hallenback, pres, Pepsi-Cola West; Brian Swette, vp-natl mktg; Frank Rupp, vp-design/visual comms; Rick Rock, vp-media/entertainment.

Pepsi-Cola, Diet Pepsi, Slice, Mountain Dew, All Sport: BBDO Worldwide, New York. William Katz, exec vp-worldwide sr acct dir.

Slug rootbeer: Lois/GGK, New York. Mark Rothman, mgmt super.

African-American adv: Lockhart & Pettus, New York. David Harris, sr vp-dir client svcs.

Hispanic adv: Siboney Advertising, New York. Luis Nasr, vp-gm.

Pepsi-Cola: on-premise/field mktg & adv: Tracy-Locke, Dallas. Mike Rawlings, gm.

FRITO-LAY: David J. Gustin, sr vp-mktg.

Ruffles potato chips, Fritos corn chips, Chee-tos cheese flavored snacks: DDB Needham Worldwide, Chicago. Dawn Hudson, grp acct dir.

Doritos and Tostitos tortilla chips, Lay's potato chips, Crunch Tators potato chips, Frito-Lay dips, Rold Gold pretzels, Funyun's onion snacks, Smartfood popcorn: Tracy-Locke, Dallas. Mike Rawlings, gm-coo.

Sunchips multigrain snacks: BBDO Worldwide, New York. Andy Russem, sr vp-acct dir.

PIZZA HUT INC.: Robert J. Perkins, sr vp-mktg; Terry Davenport, vp-segment mktg.

BBDO Worldwide, New York. Bill Gray, sr vp-acct dir.

TACO BELL: Tim Ryan, sr vp-mktg; Karen Eadon, vp-mktg svcs & adv.

Foote, Cone & Belding, San Francisco. Dan

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Source: MRCI'S4, 1991

Nation's Business
The Small Business Adviser

Odishoo, grp mgmt super.

KENTUCKY FRIED CHICKEN CORP.: William J. McDonald, sr vp-mktg; Colin W. Moore, vp-mktg/operations devel, intl; Peter J. Foulds, vp-adv; Ed McPherson, vp-field mktg; Thomas A. Cross, vp-mktg svcs.

Young & Rubicam, New York. John Swan, sr vp-grp dir, domestic; Norman Kappler, sr vp-mgmt super, intl.

RANK: 40

Pfizer Inc.

New York

Ad spending: $279.9 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	30,189	22,880	31.9
Sunday magazine	1,302	1,115	16.7
Newspaper	1,142	159	618.6
Network TV	70,184	62,623	12.1
Spot TV	5,553	5,580	(0.5)
Syndicated TV	3,259	1,835	77.6
Cable TV networks	2,236	1,137	96.7
Network radio	32	0	NA
Spot radio	878	1,148	(23.5)
Measured media	114,775	96,477	19.0
Unmeasured	165,100	138,800	18.9
Total	279,875	235,277	19.0
By top brands	**1990**	**1989**	**% chg**
Plax mouth rinse	21,056	19,619	7.3
Visine eye drops	14,516	14,614	(0.7)
Lady Stetson perfume	8,163	7,144	14.3
Stetson men's toiletries	7,629	8,360	(13.9)
Unisom	7,618	6,261	21.7
exclamation! perfume	7,532	7,446	1.1
Ben-Gay products	7,522	4,344	73.2
Preferred Stock	6,585	0	NA

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	6,406	5,672	13.0
Earnings	801	681	17.6
U.S.	**1990**	**1989**	**% chg**
Sales	3,473	3,097	12.2
Operating profit	736	564	30.4
Division sales	**1990**	**1989**	**% chg**
Healthcare	4,336	3,629	19.5
Consumer products	668	628	6.5
Animal health	510	489	4.3
Specialty chemicals	548	509	7.5
Specialty minerals	344	416	(17.4)

CORPORATE PROFILE

Pfizer launched its first consumer educational campaign touting the cardiovascular drug Procardia XL, a new version of its Procardia.

Procardia and its XL line extension claimed 22.5% of Pfizer Inc.'s pharmaceutical sales of $3.2 billion. XL, in its first full year on the market, generated $404 million in U.S. sales.

The $2.9 million campaign ran in magazines, newspapers and Sunday magazines. Procardia is the most widely prescribed cardiovascular drug in the U.S., according to the company.

With Procardia coming off patent the end of this year and Pfizer facing generic competition, the campaign seeks to educate both doctors and patients to the advantages of XL over its predecessor. XL is the only once-daily calcium channel blocker approved in the U.S. for angina and hypertension.

Pfizer has six new ethical drugs under regulatory review and expects to introduce them during the next 24 months.

Consumer products, accounting for 10.4% of Pfizer worldwide sales in 1990, were paced in ad spending by Plax prebrushing dental rinse. Plax received $21 million in media, up 7.3%.

Pfizer aggressively pushed Plax into worldwide distribution in 1990. The expenses associated with that expansion highly influenced the consumer segment's 34% decline in operating profit. Plax contributed $178.7 million in sales, up 34%. During the year, Pfizer expanded Plax's presence from 17 to 39 countries.

Visine eye drop brand got a Visine L.R. line extension (for long-acting relief). Pfizer spent $1.6 million to introduce the line, virtually all in network TV.

Ben-Gay arthritic ointment showed a 73.2% increase in media spending to $7.5 million for the year, although the company says Ben-Gay didn't meet sales expectations. This summer the line got an Ultra Strength Ben-Gay version.

The Coty division turned in a 10% growth in sales despite increased competition and a weak retail sector. The increase was due partly to the introduction of Preferred Stock fragrance for men and a women's fragrance, L'Effleur. As in the past, the Coty division funneled most of its ad dollars into network TV. The four most popular scents, Lady Stetson, exclamation!, Iron and Stetson for men, plus the newcomer, Preferred Stock, had combined media support of $32.7 million, of which 73% was in network TV and the rest divided between spot and syndicated TV.

HEADQUARTERS

Pfizer Inc./235 E. 42nd St./New York, N.Y. 10017/Phone: (212) 573-2323.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Edmund T. Pratt Jr., chmn-ceo; William C. Steere Jr., pres-ceo.

Media buying: Adforce Inc., New York (in-house). Robert J. Geller, pres; John M. McAvity, vp-bdcast; Martin J. Gennusa, vp-media.

PFIZER ANIMAL HEALTH GRP.: M. William Roche, pres.

Pfizer Animal Health products-domestic: Dudnyk, Horsham, Pa. Tom Waller, acct super.

Intl: Advocin, Dectomax: Dorritie, Lyon & Nickel, New York. Marty McNamara, vp-acct super.

Intl: Arixx, other Pfizer Animal Health products: Bergelt Litchfield, New York. Kathy Weitze, acct super.

PFIZER CONSUMER PRODS.-CONSUMER HEALTHCARE: Joseph F. Harmon, pres-consumer prods grp.

Ben-Gay, Barbasol: Ally & Gargano, New York. Jim Roxbury, vp-acct dir.

Visine: Backer Spielvogel Bates, New York. Mark Morris, exec vp.

Desitin, Bid: Sweeney & Partners, New York. Mike Monroe, acct exec.

Unisom: Avrett, Free & Ginsberg, New York. Don Bandman, exec vp-grp acct dir.

Oral Care-Plax: Ally & Gargano, New York. Dick Mullan, Regina Woods, acct execs.

COTY DIVISION: J.L. Abernathy, exec vp.

Stetson, Lady Stetson, Preferred Stock, Iron, exclamation!, Overnight Success: Ketchum Advertising, New York. Teddy Borsen, acct exec.

RANK: 2

Philip Morris Cos.

New York

Ad spending: $2,210.2 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	260,044	281,511	(7.6)
Sunday magazine	15,420	14,973	3.0
Newspaper	19,915	29,682	(32.9)
Outdoor	77,161	70,867	8.9
Network TV	402,238	368,373	9.2
Spot TV	221,216	180,748	22.4
Syndicated TV	133,757	106,803	25.2
Cable TV networks	26,607	20,492	29.8
Network radio	14,481	8,778	65.0
Spot radio	28,895	42,714	(32.4)
Measured media	1,199,733	1,124,941	6.6
Unmeasured	1,010,500	947,500	6.6
Total	2,210,233	2,072,441	6.6
By top brands	**1990**	**1989**	**% chg**
Miller beer	181,354	158,362	14.5
Post cereals	110,998	102,005	8.8
Maxwell House coffees	92,604	76,804	20.6
Marlboro cigarettes	85,376	100,751	(15.3)
Kraft cheeses	76,641	57,681	32.9
Kraft salad dressing/mayonnaise	56,923	51,463	10.6
Virginia Slims cigarettes	44,214	44,361	(0.3)
Merit cigarettes	37,035	54,222	(31.7)
General Foods Int'l coffee	36,863	30,628	20.4
Jell-O gelatins & puddings	29,366	30,682	(4.3)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	51,169	44,080	16.1
Earnings	3,540	2,946	20.2
U.S.	**1990**	**1989**	**% chg**
Sales	36,014	33,178	8.5
Operating profit	6,715	6,061	10.8
Division sales	**1990**	**1989**	**% chg**
Domestic tobacco	10,370	9,474	9.5
International tobacco	10,720	8,375	28.0
Food	26,085	22,373	16.6
Beer	3,534	3,342	5.7
Financial svcs.	460	516	(10.9)

CORPORATE PROFILE

Philip Morris Cos. set a course for international expansion with the appointment of Michael Miles, 51, to succeed Hamish Maxwell as chairman-ceo.

The promotion signals Philip Morris' intent to build its international base through acquisition of food companies. Mr. Miles was chairman-ceo of Kraft General Foods before he took the helm this September.

Philip Morris already is the third-largest food marketer worldwide, with food sales of $26.1 billion, up 16.6%. It has repeatedly said its goal is to become a truly multinational marketer on the scale of Nestle and Unilever, a goal it stepped closer to with the acquisition of Jacobs Suchard in June 1990. Analysts have been closely watching Philip Morris, which will generate $18 billion in cash flow the next five years, for its next acquisition, and most are betting on a company with significant international scope.

Another sweeping change came in October 1990 when Kraft General Foods realigned its agencies, shifting $150 million in billings and eliminating McCann-Erickson Worldwide from its roster. The realignment was designed to fit a new category-based system of agency relationships.

Included in the shifts: The $80 million Maxwell House account returned to Ogilvy & Mather from D'Arcy Masius Benton & Bowles; the $20 million Miracle Whip account, to J. Walter Thompson USA from Foote, Cone & Belding; the $10 million Kraft mayonnaise account, to Leo Burnett USA from Young & Rubicam; the combined $8 million Breakstone, Light n' Lively and Frusen Gladje accounts, to Y&R from McCann; Lender's Bagels to D'Arcy from McCann; and Birds Eye frozen vegetables to Y&R from Wergeles & Drazen. Media buying assignments didn't change.

At the same time, Kraft General Foods standardized its agency compensation system. Under the three-tier program, Kraft General Foods pays a 16% commission rate for superior work in meeting brand objectives; 14% for satisfactory work and 13% for unsatisfactory work.

Other longtime agency relationships were severed in 1991 when Philip Morris parted company with Wells Rich Greene BDDP, following yearlong rumors of trouble on the Benson & Hedges account. In April 1991, the $60 million account was moved to Burnett. The brand has been in a prolonged share descent, hitting 3.5% of the total cigarette market in 1990 (from 3.9% in '89) to rank eighth, according to Wheat, First Securities analyst John C. Maxwell Jr.

Burnett also reaped rewards in March when Miller Brewing Co. gave it the ailing $80 million Miller Lite account from Backer Spielvogel Bates Worldwide. Burnett, which already handles the $25 million Miller High Life business, subsequently scrapped the brand's stale "Tastes great, less filling" theme in favor of "It's it. And that's that."

Miller also moved its media planning for Miller Lite, Miller High Life and test product Miller Lite Ultra to Burnett, effective in 1992, while keeping media buying at Backer.

Benson & Hedges notwithstanding, Philip Morris maintained its 41.9% U.S. market share for all cigarettes, according to Mr. Maxwell.

Marlboro was down slightly for the first time since the '70s, to 25.7% of the market from 27.9%. In 1991, Marlboro was the focus of one of Philip Morris' most surprising product initiatives. Philip Morris budgeted $60 million to roll out Marlboro Medium, a line extension slotted between Marlboro Lights and the flagship. Cork-tipped Marlboro Medium has 1 milligram more tar than white-tipped Marlboro Lights, a ploy to attract male low-tar smokers.

Medium is Philip Morris' second major cigarette launch since the October 1990 rollout of Bucks value-price brand, supported with a $19 million fourth-quarter '90 budget. Philip Morris holds a 24.8% share in the value-price category, second to R.J. Reynolds Tobacco Co.'s 31.3%, Mr. Maxwell said.

In September 1990, Philip Morris promoted William Campbell to president-ceo of the domestic tobacco unit, Philip Morris USA, from senior VP-corporate planning. He succeeded Ehud Houminer, who became senior VP, Philip Morris Management Corp.

Miller's most significant new-product launch in 1991 was Lite Ultra, a 77-calorie beer testing in Arizona, Louisville, San Diego and Madison, Wis.

The Lite agency switch and line extension are aimed at hiking volume of Miller Lite, the No. 2 beer overall with a 10.6% share. Lite isn't growing as fast as rivals. It rose less than 2% in barrels in 1990, compared with 9.3% growth by Bud Light and 12.5% growth by Coors Light. Bud Light ranks fourth overall at 6% and Coors Light No. 3 at 6.1%, according to *Beer Marketers Insights*. Lite's 19.9 million bbls represented 46% of the company's total output.

Backer continues to handle Genuine Draft, ranked ninth with a 3% share. It is the country's fastest-growing beer with shipments up 25.5%.

Kraft General Foods' new product philosophy was best summed up as fat-free. Fat-free items in more than eight categories rang up $350 million in sales in 1990.

New offerings: Kraft Free Singles, Seven Seas Free salad dressing, Kraft Free mayonnaise and Miracle Whip Free spoonable dressing, the latter two the first fat-free products in their category. Philip Morris is No. 2 in the $878 million mayonnaise and spoonable dressing category, with a 46% share.

In June 1991, the company voluntarily removed percentage fat-free labels from its products in anticipation of industry-wide scrutiny by the FDA.

Kraft General Foods has been casting

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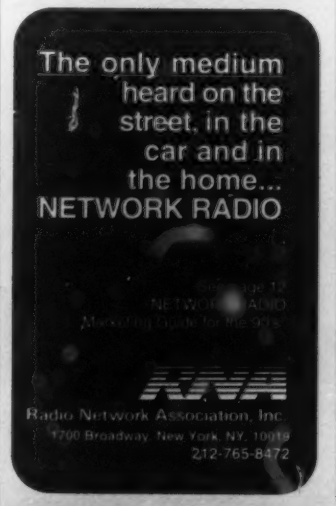
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about for an appropriate umbrella brand name for its healthy food lines. In February 1991, the company began testing a six-item line of "foods for healthier eating" dubbed Kraft Alternatives, but may rename the line Eating Right. The new line, which has done well in test market, will face off against No. 2 ConAgra's highly successful Healthy Choice. Chris Evert is spokeswoman for Eating Right entrees, frozen dessert and pizza.

Under the Budget Gourmet name, Kraft General Foods began testing a 12-item frozen meal (with insulated lunch bag), called Hot Lunch. Kraft General Foods is said to be expanding its Budget Gourmet Light & Healthy with Hearty & Healthy, which promises 2 ounces more than the 10 delivered by Budget Gourmet.

General Foods USA's Post cereals, remained third in the category, but gained share for the first time in a decade from 10.5% to 11.3%, aided by heavier ad spending—$111 million, up 8.8%—and campaigns stressing added value for Grape-Nuts and Post Raisin Bran.

HEADQUARTERS

Philip Morris Cos./120 Park Ave./New York, N.Y. 10017/Phone: (212) 880-5000.

PERSONNEL, BRANDS, AGENCIES

PHILIP MORRIS USA: David E.R. Dangoor, sr vp-mktg; Ellen Merlo vp-mktg; David Beran, vp-mktg research/planning; Nancy Brennan Lund, grp dir-Marlboro, Robert L. Mikaulay, grp dir-discount brands; Stephen K. Piskor, dir-strategic planning/budget control, Marlboro; Arthur J. Raporte, Jr. brand mgr-Marlboro promos; James A. Taylor, brand mgr-Marlboro; Michael Mahan, dir-strategic planning/budget control, discount brands; Alex O. Aliksanyan, brand mgr-Bristol; Stephen Vasquez, brand mgr-Cambridge; Thomas M. Gargulio, assoc brand mgr-Bucks; Julie A. Greene, assoc brand mgr-Alpine; Arthur J. Goldfarb, dir-strategic planning/budget control, premium brands; Carl L. Cohen, brand mgr-Virginia Slims; Peter G. Henriques, brand mgr-Benson & Hedges/Next; Susan L. Jannetta, brand mgr-Merit; Nancy J. Parmet, assoc brand mgr-Parliament; Michael Heinrich, dir-purchasing; Leo McCullagh, dir-event mktg/consumer promos; Maria Antonoff, mgr-consumer promos/incentive devel; Ina Broeman, mgr-Virginia Slims/discount brand events; Edna Moore, mgr-Benson & Hedges/community mktg events; James Spector, dir-data base mktg; Marianne Nawrocki, mgr-direct mktg; Richard Stirlen, dir-media/POS devel; Phyllis Kornbluth, mgr-POS devel; Roy Anise, dir-mkt research; Louis Suwarna, dir-mktg research/new prods-mktg planning; Karen E. Altenberg, assoc brand mgr-new prods/Cartier.

Cartier, Bristol, Parliament, new products: Backer Spielvogel Bates Worldwide, New York. Ron Kraut, sr vp.

Alpine, Benson & Hedges, Bucks, Cambridge, Marlboro, Merit, Virginia Slims, new products: Leo Burnett USA, Chicago. Peter Volz, exec vp.

KRAFT GENERAL FOODS NORTH AMERICA: Eric Strobel, sr vp-corp mktg.

KRAFT GENERAL FOODS FROZEN FOODS. (Kraft Gen'l. Foods U. Amer.): Larry Benjamin, vp-frozen prods mktg/strategy; Leigh Warner, dir-frozen prods strategy; Julie Zaideman, dir-frozen prods mktg info; Neil Culbertson, vp-mktg, All American Gourmet; Steve O'Hara, vp-strategy, All American Gourmet; Len Lyberger, dir-Kraft, All American Gourmet; Bill Crosson, dir-Birds Eye, All American Gourmet; Bob Ethen, dir-Zappetites, All American Gourmet; Tim Kreger, vp-mktg, dairy div; Bob Creighton, vp-strategic planning/bus devel, dairy div; Ann Buivid, dir-cottage cheese/sour cream/Allied Brands, dairy div; Shelia Terry, dir-mktg info, dairy div; Julie Bowen, dir-frozen desserts, dairy div; Laura McCorvie, dir-frozen snacks, dairy div; Karen King, dir-new prod devel, dairy div; Mike Bailey, vp-gm, Knudsen; Lisa Abbott, dir-mktg Knudsen; Mariann Emswiler, vp-mktg, Lender Bagel Bakery; Rick Nienast, dir-strategy Lender's Bagel Bakery; Jim Dwyer, vp-mktg, Tombstone Pizza; Kevin Scott, dir-strategy, Tombstone.

Breakstone, Breyer's Ice Cream, Breyer's Yogurt, Frozen Snacks, Jell-O, Light 'n Lively: Young & Rubicam, New York. Susan Gianinno, grp dir.

All American Gourmet, Tombstone Pizza: Foote, Cone & Belding Communications, Chicago. Joan Black, sr vp-grp acct dir.

Birds Eye, Budget Gourmet: Wergeles & Drazen, New York. Don Wergeles, chmn.

Cool Whip, Lender's Bagels, Dessert: D'Arcy Masius Benton & Bowles, New York. Peter Rosow, mgmt rep.

Knudsen Dairy Products: Grey Advertising, Los Angeles. Melissa Hochschild, vp-mgmt super.

KRAFT USA (Kraft Gen'l. Foods U. Amer.): Mark Leckie, Betsy Holden, vps-mktg, grocery prods; Roger Deromedi, Sandy Posa, vps-mktg, retail cheese; David Johnson, dir-mktg, specialty prods.

Kraft BBQ Sauce, Gulf's-Eye BBQ sauce, Kraft Caramels, Grated Parmesan, Hand-Snacks, Kraft Frozen Entrees, Kraft Macaroni & Cheese/Cheese Deluxe, Kraft Side Dishes, Kraft Thick 'n Spicy, Touch of Butter spread, Velveeta Shells & Cheese: Foote, Cone & Belding, Chicago. Joan Black, sr vp-grp acct dir.

Knudsen Cheese, Knudsen Dairy Products: Grey Advertising, Los Angeles. Melissa Hochschild, vp-mgmt super.

Cheese Whiz, Cracker Barrel, Di Giorno Fresh, Kraft Natural Cheese, Kraft Salad Dressing, Kraft Free salad dressing, Kraft Light Naturals, Kraft Parkay, Kraft Real Mayonnaise, Seven Seas salad dressing, Spreadery, Velveeta: Leo Burnett USA, Chicago. Dan Reid, exec vp.

OSCAR MAYER FOODS (Kraft Gen'l. Foods U. Amer.): Rick Searer, vp-gm, Oscar Mayer; Bryan Stockton, vp-gm, Louis Rich & subsidiaries; Bob Drane, vp-strategic planning/new prods; Peter Dunn, mktg mgr; Steve Shanesy, mktg mgr-Louis Rich.

Claussen pickles, Oscar Mayer meats, Lunchables: J. Walter Thompson USA, Chicago. Kathy Valdiserri, vp-acct dir.

Louis Kemp Seafood: D'Arcy Masius Benton & Bowles, Chicago. Ben Bishop, sr vp-grp acct dir.

Louis Rich meats, Lunchmeats: D'Arcy Masius Benton & Bowles, New York. William Perkins, grp acct dir.

GENERAL FOODS USA (Kraft Gen'l. Foods U. Amer.): Loraine Scarpa, vp-mktg svcs; Richard Helstein, vp-adv/mktg svcs; Tom Wrubel, controller/mktg & svcs; J. Mark Haran, vp-mktg/sales; Jim Craigie, Ann Marks, mktg dirs-coffee; Eva Page, vp-mktg, Entenmann's; Steve Mitz, mktg dir-beverages; Dana Gioia, vp-mktg, desserts; Nancy Wong, dir-established brands; Ann Daw, dir-new bus; Gary Rawlings, dir-mktg svcs; Paul Singer, dir-mktg, Post cereals; Rob Lowe, dir-devel, Post cereals.

Professor's: Beckman Associates, Albany, N.Y. Leslie Baker, vp.

Bakell, Crystal Light, Entenmann's, Good Seasons, Gravy: D'Arcy Masius Benton & Bowles, New York. Peter Rosow, Richard Levenson, joint mg dirs.

Bakers chocolate, Carte, Cream Whip, Fruit & Fibre cereal, Grape-Nuts, Honeycomb, Kraft Microwave Entrees, Kool-Aid, Minute Rice, Post Bran Flakes, Post Raisin Bran, Quaker Oats, Post Oat Flakes, Post Raisin Bran, Post Toasties, Sure-Jell, Stove Top: Grey Advertising, New York. Jack Frantz, exec vp.

Alpine Mix, Brim coffee, Country Time, Log Cabin, Maxwell House, Pebbles, Shake 'n Bake, Super Golden Crisp, Tang, Yuban: Ogilvy & Mather, New York. Jack Red, sr vp-exec grp dir.

General Foods Intl. Coffees, Jell-O, Sanka: Young & Rubicam, New York. Susan Gianinno, grp dir.

KRAFT GENERAL FOODS COMMERCIAL FOODS.-KRAFT FOODSERVICE INC. (Kraft Gen'l. Foods U. Amer.): Gary Karp, vp-Kraft branded prod sales/mktg; Rick Wallace, dir-mktg, Kraft branded prods; Patsy J. Mellott, dir-trade mktg/comms.

Kraft Foodservice Inc.: Ketchum Advertising, Chicago. Andrea Mallen, vp-acct svcs.

KRAFT GENERAL FOODS COMMERCIAL FOODS.-KRAFT FOOD INGREDIENTS (Kraft Gen'l. Foods U. Amer.): Terry Reagan, dir-mktg, foodservice; Max Maxwell, mktg mgr-foodservice; David Compton, mktg mgr-new prods; Russ Williams, mktg mgr-flavor ingredients; Paul Kenny, dir-confection prods; Bob Milewski, dir-refrigerated prods; Steve Robinson, dir-mktg, retail; Rhonda P. Saslawsky, corp mktg mgr.

Kraft Food Ingredients Grp.: Archer/Malmo, Memphis. Bob O'Conner, acct dir.

California Vegetable Concentrates: Boling & Associates, Fresno, Calif. Jan Boling, acct dir.

MILLER BREWING CO.: Richard Strup, vp-brand promos; Mary Seggerman, premium category dir; Tony Sciolla, brand mgr-Miller Genuine Draft; Steve Wnuk, Mark Wildman, Mark Ziskind, assoc brand mgrs-Miller Genuine Draft; Kevin Tripp, brand mgr-Miller Genuine Draft Light; Laurie Panosh, Rich Reider, asst brand mgrs-Miller Genuine Draft Light; David Rosenberg, brand mgr-Miller High Life; Paul Basquin, low calorie category dir; Bob Olejniczak, brand mgr-Lite; John Beck, Thom Zak, asst brand mgrs-Lite; Ann Janikowsky, brand mgr-Lite regional; Jose Milan, Boris Oglesby, assoc brand mgrs-Lite; Tom Cardella, category dir-Allied Brands; Rick Burton, brand mgr-Lowenbrau/Sharps; Alice Frazier, assoc brand mgr-Sharps; Rod Northern, asst brand mgr-Lowenbrau; Chad Vincent, brand mgr-Allied/Leinenkugel's; Jeff Kellar, asst brand mgr, Allied/Leinenkugel's; Neeraj Bharadwaj, asst brand mgr-Allied Brands; Chuck Strehl, natl sales mgr; Jeff Rea, new bus devel category dir; Jim Harris, Jay Lenstrom, brand mgrs-new prods; Alan Smith, asst brand mgr-new prods; Miguel Farah, Jennifer Achuck, Sharon Ali, priority mkts mgrs; Robert Ward, dir-adv svcs; David Dutton, Robin Peterson, media mgrs; Mary Genske, Pat Taflinger, assoc media mgrs.

Magnum, Meister Brau, Miller High Life, Miller Lite, Milwaukee's Best: Leo Burnett USA, Chicago. John Miller, exec vp.

Genuine Draft, Genuine Draft Light: Backer Spielvogel Bates Worldwide, New York. Frank Assumma, exec vp.

Hispanic mktg: Casanova Pendrill Publicidad, Irvine, Calif. Randy Ransome, acct dir.

Lowenbrau: J. Walter Thompson USA, Chicago. Bob Hall, sr vp-mg dir.

Leinenkugel's, Sharp's, Responsible drinking campaign: Frankenberry, Laughlin & Constable, Milwaukee. Steve Laughlin, partner.

Black Consumer mktg: The Mingo Group, New York. Sam Chisholm, pres.

RANK: 60

Philips NV

Eindhoven, Netherlands

Ad spending: $177.7 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	20,432	18,299	11.7
Sunday magazine	513	1,539	(66.7)
Newspaper	108	984	(89.0)
Outdoor	24	13	75.4
Network TV	62,789	60,211	4.3
Spot TV	302	3,308	(90.9)
Syndicated TV	2,865	529	442.0
Cable TV networks	2,047	1,541	32.9
Network radio	11	2,038	(99.5)
Spot radio	19	385	(95.0)
Measured media	89,109	88,836	0.3
Unmeasured	88,600	88,300	0.3
Total	177,709	177,136	0.3
By top brands:	**1990**	**1989**	**% chg**
Norelco shavers	50,213	33,244	51.0
Magnavox video equipment	21,880	22,802	(4.0)
Norelco appliances	5,340	6,159	(13.3)
Philips light bulbs	5,099	8,976	(43.2)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	32,996	29,960	10.1
Earnings	(2,509)	719	NA
U.S.	**1990**	**1989**	**% chg**
Sales	6,119	6,188	(1.1)
Net income	(646)	(191)	NA
Division sales	**1990**	**1989**	**% chg**
Lighting	4,157	3,938	5.6
Consumer electronics	15,020	12,313	22.1
Professional prods	7,727	8,247	(6.3)
Components	4,829	4,436	8.9
Miscellaneous	1,253	1,027	22.1

CORPORATE PROFILE

NV Philips financial woes—which led to a billion-dollar charge-off, major worldwide layoffs and eventually the parent's decision to sell off its mainframe computer business among others—have pushed the company more strongly into its consumer lines.

U.S. activities, operating under North American Philips Corp. and the 80%-owned Polygram, have been beneficiaries of the renewed attention. Philips last September sold Genie Manufacturing, maker of garage door openers and vacuums.

North American Philips now includes Philips Consumer Electronics, maker of

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Magnavox, Philco, Philips and Sylvania products; Norelco Consumer Electronics, maker of Norelco and Schick electric shavers, Clean Air Machines and irons; Philips Lighting; and Philips Interactive Media of America.

Philips Consumer Electronics is the largest advertiser of TVs in the U.S. Magnavox, which switched from the Smothers brothers as ad presenters to John Cleese this year, is the No. 3 TV brand with an 8% share. Its other lines bring Philips' share up to 11.9%, according to *Television Digest*.

Magnavox is No. 5 in VCRs with a 7% share (Sylvania has 1%), and No. 7 in camcorders with a 6.7% share. Philips provides no media support for VCRs and little for camcorders.

With heavy price discounting on TVs, Philips like other consumer electronics marketers has turned to more profitable, often upscale items.

The latest item for Philips, whose parent developed the compact disc, is the compact disc-interactive—a compact disc with video that offers viewer interaction. Philips launches its CD-I in October under the Philips name. A separate worldwide subsidiary—Philips Electronic Media (whose U.S. unit is Philips Interactive Media of America)—has been formed to market software for the compact disc-interactive unit.

The company is expected to spend heavily in the launch next year of a digital compact cassette format for audio. The product allows current audiocassettes to be played by machines that can also record digitally. Tandy Corp. is joining in the rollout.

The big event for the Norelco division was the introduction late last year of a new line of electric razors, which Norelco claims helped hike its share of the men's shaver market to 56%, up from 51%. The company backed all men's shavers with $46.9 million, up 56.3%.

Norelco has access to a long list of Philips European products and is believed to be considering introducing several new lines. Norelco also dropped out of the coffee maker field.

Philips Lighting, faced with continuing price erosion in the basic bulb business, moved last year to a new-product orientation. It has a declining 9% of the consumer bulb business dominated by GE Lighting's 44%.

Polygram's U.S. division integrated A&M Records and Island Records (which it bought earlier) into its distribution system. Polygram's share of records on *Billboard*'s charts in 1990 rose to 6.8% from 6.5%.

HEADQUARTERS

Philips N.V. Gloeilampenfabrieken/5621 BA Eindhoven/Netherlands.

North American Philips Corp./100 E. 42nd St./New York, N.Y. 10017/Phone: (212) 850-5000.

PERSONNEL, BRANDS, AGENCIES

PHILIPS CONSUMER ELECTRONICS: James Newbrough, sr vp-mktg; Jerry Calabrese, vp-mktg, personal info prods; Mike Keel, dir-adv.

Magnavox, Philips, Sylvania, Philco: Backer Spielvogel Bates Worldwide, New York. Ed Keating, exec vp-acct mgmt.

NORELCO CONSUMER PRODUCTS: John Beggs, pres; Leigh Alexander, sr mktg mgr-razors; Ed Crawford, sr mktg mgr-home comfort grp.

Norelco, Philips: D'Arcy Masius Benton & Bowles, New York. Ira Schwartz, sr vp-grp dir.

PHILIPS INTERACTIVE MEDIA OF AMERICA: Richard Arroyo, sr vp-mktg.

Philips CD-I Software: Backer Spielvogel Bates Worldwide, New York. Ed Keating, exec vp-acct mgmt.

POLYGRAM RECORDS CORP.: Dane Benable, vp-prod devel, Mercury Records; Dan Brotman, mgr-adv, Polygram Classics & Jazz; Susie Penley, mgr-adv, Polygram Classics & Jazz-Verve/ECM; Steve Miller, natl dir-sales/mktg, Mercury Nashville; Gary Rockhold, executor, Polygram Label Grp.; Matthew Stringer, vp-mktg, island Records; Jim Guerinot, vp-artist devel/mktg, A&M Records; Emily Winthrop, natl adv mgr-A&M Records.

Mercury Records: Mercury, Atlantic Artists, Big Life, Fontana, Jamboe, PWL, reakt, Wing. Polygram Classics & Jazz: Verve, Deutsche Grammophon, ECM, London, Philips. Mercury Nashville. Polygram Label Group: DFMR, Radioro, London, Polydor, Smash, Vertigo. island Records. A&M Records: Boiss, Buenn, Elephant, Horizon, Perspective, Take: Phonad, New York (in-house). Sylvia Chandler, mgr-merch; Leslie Borrok, mgr-adv.

PHILIPS LIGHTING CO.: John Stasiw, vp-gm, consumer div; Kerry Vachon, mkt mgr-incandescent; Gregg DeSilvio, mktg mgr-specialty; DeVerges Jones, dir-mktg svcs; Maureen Carpenter, mgr-mktg comms.

Philips lighting: Cliff Freeman & Partners, New York. Arthur Bijur, exec vp.

Media buying: Saatchi & Saatchi, New York. Joe McCarthy, sr vp-mgmt dir.

RANK: 1

Procter & Gamble Co.

Cincinnati

Ad spending: $2,284.5 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	155,731	129,660	20.1
Sunday magazine	6,260	7,541	(17.0)
Newspaper	6,418	5,024	27.8
Outdoor	523	487	7.5
Network TV	559,894	449,509	24.6
Spot TV	304,456	217,779	39.8
Syndicated TV	119,258	90,927	31.2
Cable TV networks	57,936	38,861	49.1
Network radio	20,205	24,217	(16.6)
Spot radio	9,305	14,281	(34.8)
Measured media	1,240,007	976,286	26.8
Unmeasured	1,044,500	824,000	26.8
Total	2,284,507	1,802,286	26.8

By top brands	1990	1989	% chg
Folgers coffees	96,866	92,247	5.0
Tide laundry products	62,009	52,405	18.3
Crest toothpaste	43,810	40,909	7.1
Head & Shoulders shampoos	35,915	27,697	29.7
Oil of Olay creams & lotions	34,485	44,709	(22.9)
Cheer laundry detergent	31,410	16,247	93.3
Downy fabric softener	30,777	21,206	45.1
Luvs diapers	30,715	21,028	46.1
Nyquil cold products	29,528	27,405	7.7
Cover Girl facial make-up	29,107	13,722	112.7

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	27,026	24,081	12.2
Earnings	1,773	1,602	10.7
U.S.	**1990**	**1989**	**% chg**
Sales	15,276	14,962	2.1
Net earnings	1,360	1,304	4.3
Division sales	**1990**	**1989**	**% chg**
Laundry & cleaning	9,002	7,942	13.3
Personal care	13,468	11,767	14.5
Food & beverage	3,546	3,318	6.9
Pulp & chemicals	1,709	1,656	2.6

CORPORATE PROFILE

Procter & Gamble Co. continues to expand its presence in the international marketplace while relying on new-product initiatives to boost its U.S. business.

Under the leadership of Chairman-CEO Edwin L. Artzt, P&G intends to become a significant competitor in the $16 billion worldwide cosmetics and fragrances market after spending $1.14 billion to acquire Max Factor and Betrix lines from Revlon in July '91.

Already P&G is the top mass-marketer of cosmetics in the U.S. thanks to its $1.3 billion purchase of Noxell Corp. in 1989.

In February, P&G agreed to sell its Santa Fe brand of men's fragrances and toiletries to DuCair Tsumura, the U.S. subsidiary of Tokyo-based Tsumura & Co. The company also sold Dramamine to Upjohn Co. and Icy Hot to Chattem for a combined $45 million.

Speculation that P&G would sell all or parts of its food and beverage division reached its highest level when Exec VP B. Jurgen Dintz resigned in June. The company realigned its U.S. business under Exec VP Durk Jager. The company denied plans to sell any of its $3.2 billion food and beverage business "now or in the foreseeable future."

P&G is moving ahead with new food and beverage products including the testing of a healthier version of Crisco Oil in the Midwest.

Last year, Crisco had a 19% share in the $795.6 million cooking and salad oil market, according to Information Resources Inc.'s InfoScan. Analysts believe the brand has been hurt by consumers' concern about healthier alternatives.

P&G also is putting the Crisco logo on its Puritan Oil, a 100% canola oil product. That decision prompted the company to consolidate the Puritan ad account with Grey Advertising, Crisco's agency, from N W Ayer.

Duncan Hines' Cups Microwave cupcakes and brownies were expanded to most of the U.S. in 1990; and going into test were Folgers Singles, a coffee bag for single servings, and Speas Farm Parents Choice calcium-fortified apple juice.

P&G is reaping the gains of its expansion of superconcentrated detergents—sold in about 70% of the U.S. The company offers "Ultra" versions for all of its laundry detergents—Tide, Gain, Oxydol, Bold and Cheer.

The overwhelming laundry detergent leader, P&G boosted its total share of the category to 54.5% in the summer of 1991 from a 53.5% share in the prior summer, according to Kidder, Peabody & Co. Other household product roll-outs include the national expansion of Liquid Tide with Bleach Alternative; Cinch, a combination glass/all-purpose cleaner; and Cascade LiquiGel automatic dishwashing detergent.

To further invigorate its household products business, P&G is testing the restaging of Ivory Liquid. Ultra Downy fabric softener also is in test.

P&G is readying a major advertising campaign for the fall national launch of Pampers Phases and Luvs Phases in the $4 billion disposable diaper category. Each brand will feature seven phases with different design and size features keyed to a baby's development.

P&G commands a leading 48.5% of the disposable diaper category from its two brands compared with Kimberly-Clark's 29.5% share, according to Kidder, Peabody.

Head & Shoulders 2-in-1 shampoo will begin national distribution in October without market testing. P&G remains the market leader in the $1.15 billion shampoo category with a combined 39.5% share for all brands in summer 1991 compared with 36.5% a year earlier.

The Crest brand name is being extended to its first toothbrush in the U.S. called Crest Complete. The product began tests in late summer. Crest Neat Squeeze began national roll-out in the spring. The product offers new packaging—a squeezable soft pump—for "less mess." Earlier in the year the FDA halted the rollout of Ultra Protection Crest because its anti-microbial cavity fighting ingredient, triclosan, had not undergone a new drug application process. The introduction could be delayed as much as three years.

P&G encountered more trouble with the FDA in the spring over the labeling of Citrus Hill Fresh Choice orange juice. The FDA contended the word "fresh" wasn't appropriate for a juice made from concentrate. After the FDA seized product from a Minneapolis warehouse, P&G agreed to change the label to just Citrus Hill.

Another FDA flap arose over "No cholesterol" labeling of cooking oils. Procter & Gamble agreed to voluntarily drop the claim from all of its products, including Crisco.

HEADQUARTERS

Procter & Gamble Co./P. O. Box 599/Cincinnati, Ohio 45201/Phone: (513) 983-1100.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Edwin L. Artzt, chmn; John E. Pepper, pres; Gerald V. Dirvin, Durk I. Jager, exec vps; Gordon F. Brunner, sr vp research/devel; Robert J. Herbold, sr vp-info svcs/adv; Lawrence D. Milligan, sr vp-sales; Michael J. Allen, Wolfgang C. Berndt, Robert T. Blanchard, Bruce L. Byrnes, Larry G. Dare, Stephen P. Donovan Jr., Harald Einsmann, Malcolm Jozoff, Jorge P. Montoya, Richard R. Nicolosi, Wahib N. Zaki, grp vps; Donald W. Campbell, vp-food-servvice/lodging prods; G. Gilbert Cloyd, vp-pharmaceuticals; Todd A. Garrett, vp-beauty care prods; Alan G. Lafley, vp-laundry/cleaning prods; Thomas A. Moore, vp-healthcare prods; John A. Saxton, vp-cosmetics/fragrances; Frank P. Smith, vp-chemicals; Mark Upson III, vp-food/beverage prods; Walker J. Wallace, vp-Olestra; Mark A. Collar, vp-gm, deodorants/Old Spice; R. Kerry Clark, vp-gm, laundry prods; Peter Elsing, vp-gm, oral care prods; Robert E. Gill, vp-gm, snacks; Jeffrey D. Jones, vp-gm, diapers; Mark S. Levy, vp-gm, fabric conditioners; John N. Lilly, vp-gm, juice prods; Robert M. Malcolm, vp-gm, personal cleansing prods; Peter L. Wilson, vp-gm, respiratory care prods.

Bold, Crest Complete, Cheer, Era Plus, Gleem, Luvs liquid & bar soaps, Luvs disposable diapers, Secret, Fort Pitt, White Cloud, Pepto-Bismol, Prell, Clairol cosmetics, Nuxenne: Leo Burnett USA, Chicago. Mary Bishop, exec vp-acct dir.

Black adv: Crest, Crisco shortening, Tide: Burrell Advertising, Chicago. Fay Ferguson, vp-acct dir.

Bounce, Dash, Down, Ivory Snow, Crest, Footwell, Flexfeet, Vicks Formula 44, Nyquil, Percogesic, Vicks Vaporub, Scope, Sinex, Clearasil, Always, Attends, Charmin, Pampers, Ivory Shampoo, Wondra: D'Arcy Masius Benton & Bowles, New York.

Navy by Cover Girl, Max Factor cosmetics, California for Women/Max fragrances, Le Jardin fragrance, new products: Lotas Minard Patton McIver, New York. Sally Minard.

Professional adv: Attends, Charmin Care, Crest, Head & Shoulders, Pepto-Bismol, Puffs, Scope, Norwich International: Medicus Intercon International, New York.

Cover Girl Cosmetics, Downy fabric softener-liquid & dryer sheets, Joy, Crisco shortening and Crisco cooking oil, Puritan Oil, Jif, Lestoil cleaner, Pantene haircare line, Sure: Grey Advertising, New York. Neil Kreisberg, exec vp.

Professional adv: Crisco oil, Citrus Hill Plus Calcium, Folgers decaf, Speas Farm juices, Sun de Soleil, Oil of Olay, ivory bar soap and liquid, Safeguard: Gross Townsend Frank Hoffman, New York.

Downy Delight: Cumpertz/Bentley/Fried, Los Angeles. Richard Fried, pres-mgmt super.

Beauty, Cinch, Fisher Nut, Safeguard, Top Job, Zest: Jordan, McGrath, Case & Taylor, New York. Alice Bond, exec vp.

Foodservice cleaning products, coin vending cleaning products: Ketchum Advertising, Chicago. Lee Lippman, pres.

Professional adv: Amoxil and Duobrisa: Klemtner Advertising, New York.

Children's Nyquil, Chloraseptic, Pediatric Formula 44, Parlodel, Benapol: Lally, McFarland & Pantello, New York. Laura Krein, Joni Honig, vp-mgmt supers.

Folgers regular and decaffeinated coffee, Puffs, Citrus Hill juices, Certain, Duncan Hines Baking Mix Bar, Canadian Punch, Sun de Soleil concern Bar: H W

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Ayer, New York. Warren E. Albright, exec vp.

Foodservice & lodging products, shortening & oils, coffee, bar soap & amenities, institutional Attends: Northlich Stolley LaWarre, Cincinnati. Steve Rost, sr vp-dir client svcs.

Tide detergents, Cascade, Camay, Comet, Ivory, Bold, Ivory bar soap & liquid, Oxydol, Safe, Spic & Span, industrial, chemical grocery trade, drug trade & military ads: Saatchi & Saatchi Advertising, New York. Paula Forman, exec vp-exec mgmt dir.

Bic, Chloraseptic, Mr. Clean, Comet, Comet liquid bleach, Head & Shoulders, Metamucil, Vicks Throat Drops, Old Spice, Vidal Sassoon haircare line: Tatham/RSCG, Chicago. Robert Hielscher, sr partner-client svcs dir.

Basic, Oil of Olay and Olay Bath Bar, Pringle's, Duncan Hines cookies: Wells Rich Greene BDDP, New York. Dick Byrne, exec vp-co dir acct svcs; Chris Hansen, exec vp-dir acct svcs.

RANK: 34

Quaker Oats Co.

Chicago

Ad spending: **$329.3** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	31,347	23,409	33.9
Sunday magazine	107	1,312	(91.8)
Newspaper	1,556	1,449	7.4
Outdoor	486	64	658.7
Network TV	73,732	104,415	(29.4)
Spot TV	35,839	21,837	64.1
Syndicated TV	11,941	17,536	(31.9)
Cable TV networks	3,294	4,326	(23.9)
Network radio	3,418	1,856	84.2
Spot radio	3,291	3,101	6.1
Measured media	165,010	179,304	(8.0)
Unmeasured	164,300	178,500	(8.0)
Total	329,310	357,804	(8.0)
By top brands	**1990**	**1989**	**% chg**
Quaker cereal	49,346	58,694	(15.9)
Gatorade drinks	25,542	20,433	25.0
Fisher-Price toys	20,723	33,008	(37.2)
Cap'n Crunch cereal	11,260	8,130	38.5
Ken-L Ration dog food	10,194	10,583	(3.7)
Life cereal	9,792	8,578	14.1
Aunt Jemima syrups	7,327	5,379	36.2

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	5,491	5,031	9.2
Earnings	206	169	21.9
U.S.	**1990**	**1989**	**% chg**
Sales	3,860	3,610	6.9
Operating income	429	373	15.2

CORPORATE PROFILE

Quaker Oats Co. may never rename itself Gatorade Inc., but the sports drink has become the company's top priority and star performer worldwide.

Quaker piggybacked on strong Gatorade sales to report fiscal 1991 results substantially improved over its disastrous fiscal 1990. Quaker's companywide 9% sales increase was backed by a 5% increase in unit volumes —and that was driven largely by a 15% hike in Gatorade volume domestically and international expansion of the sports drink franchise. Fiscal 1991 ended June 30.

Gatorade is now a $600 million business in the U.S. and is expected to be $1 billion by the year 2000. Overseas sales are about $150 million and growing with more new market introductions in Europe, Latin America and Asia. Although Gatorade has more than 90% of the U.S. sports drink business, it's constantly challenged by regional competitors and soft-drink companies Coca-Cola Co., Pepsi Cola Co. and Dr Pepper Co., all of which are testing challengers.

Quaker has launched a host of flavor and packaging variations—gallon bottles, single-serve cans, a Gatorade Light, aseptic boxes—and has added availability through convenience stores and a Gatorade fountain system now in 10,000 U.S. locations.

To give the brand added punch, Quaker signed Chicago Bulls superstar Michael Jordan to a reported 10 year, $18 million contract. A U.S. campaign, themed "Be like Mike," broke last month. Mr. Jordan also will be used in international markets.

During calendar 1990 Quaker's measured media spending fell for the second consecutive year—down 8%—as the company continued to restrict ad spending to a few key products in most of its foods businesses.

In the $7.2 billion ready-to-eat cereal market, Quaker is focusing marketing attention on four "core" brands: Cap'n Crunch, Life, Quaker 100% Natural and Quaker Oat Squares. Spending on the four rose 6% to $35 million.

The company's pound share fell from 8.1% in 1988 to 7.4% in calendar 1990, placing it fourth in the category.

Similarly, Quaker has focused nearly all its marketing attention in the $7 billion pet food industry on two brands: Kibbles'n Bits'n Bits'n Bits dog food, which will get a "lean" extension later this year, and Cycle dog foods, relaunched this year backed by $37 million.

The "advanced formula" Cycle shares shelf space with Ralston Purina Co.'s expanded O.N.E. line and Kal Kan Foods' new Expert brand—all targeted at the growing pet food business outside supermarkets.

Once second to Purina, Quaker has dropped to fifth in the $5.7 billion supermarket pet food category, with a 10.1% share—though the company said pet food volumes increased 3% in fiscal 1991.

Bayer Bess Vanderwarker handled the Cycle relaunch, winning the account in a creative shoot-out with J. Walter Thompson USA. JWT found itself only a minor Quaker agency after also losing the nearly $5 million granola bar and rice cake account to Berry-Brown.

Although Quaker triumphed when General Mills withdrew from the hot-cereal market last June, leaving Quaker's 60% share intact, the category and the company's own oatmeal sales dropped for the second year in a row. Media spending fell 20% in calendar 1990 to $14.9 million.

Golden Grain posted a good year, leading the rice side-dish category with a 38% share and the noodle side-dish category with 29%. The company launched a microwaveable version of Rice-A-Roni and introduced a shelf-stable Lunch for One meal line.

Quaker last June completed the delayed spinoff of its Fisher-Price toys subsidiary as an independent operating company and so began fiscal 1992 as a food-only marketer.

HEADQUARTERS

Quaker Oats Co./Quaker Tower/321 N. Clark St./Chicago, Ill. 60610/Phone: (312) 222-7111.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: David R. Nogle, sr vp; John Blair, vp-mktg svcs/new ventures; C. Clarkson Hine, vp-adv; Jerry Perkins, dir-sales promo.

Hispanic adv: Berry-Brown Advertising, Dallas. Patricia Magel, vp-acct super.

BREAKFAST DIV: Verinder K. Syal, corp sr vp-pres; John Breuer, vp-mktg, ready-to-eat cereals; Lyle Hubbard, vp-mktg, Aunt Jemima syrups/mixes/snacks/corn goods; Keith Robinson, vp-mktg, hot cereals.

Aunt Jemima products, Life, 100% Natural cereal, Quaker Oat Squares, Quaker Oats & Instant Oatmeal: Jordan, McGrath, Case & Taylor, New York. Bruce Guidotti, exec vp-acct grp dir.

Cap'n Crunch, Crunchy Bran, Kretschmer wheat germ, Bits, Puffed Rice, Puffed Wheat, Quaker Oat Bran, Tiny Toons, new products: Bayer Bess Vanderwarker, Chicago. R. Brian Goodall, exec vp-dir, acct mgmt.

Industrial cereals, health foods: Bender, Browning, Dolby & Sanderson, Chicago. Kathleen Truty, acct super.

African-American consumer mkt adv: Burrell Advertising, Chicago. Charles McClellan, vp-acct dir.

GROCERY SPECIALTIES DIV: Peter J. Vitulli, pres; Bill Schmidt, vp-sports mktg; Peggy Dyer, vp-mktg; Deborah E. Kelly, vp-new beverages.

Gatorade & Gatorade Light: Bayer Bess Vanderwarker, Chicago. R. Brian Goodall, exec vp-dir, acct mgmt.

Granola bars, Quaker corn goods, rice & grain cakes, grits, Van Camp's/Bishop beans, Wolf brand chili: Berry-Brown Advertising, Dallas. Patricia Magel, vp-acct super.

FROZEN FOODS DIV: Barbara R. Allen, pres.

Aunt Jemima products: Jordan, McGrath, Case & Taylor, New York. Bruce Guidotti, exec vp-acct grp dir.

Quaker OvenShuffle: Bayer Bess Vanderwarker, Chicago. R. Brian Goodall, exec vp-dir, acct mgmt.

Celeste pizza: Berry-Brown Advertising, Dallas. Patricia Magel, vp-acct super.

GOLDEN GRAIN: David Bere, pres.

Noodle-Roni, Rice-A-Roni, Lunch for One: Goldberg Moser O'Neill, San Francisco. Gail Piper, mgmt super.

Mission Pasta, Golden Grain: Lewis, Browand & Associates, Oakland, Calif. C. Roger Lewis, pres.

PET FOOD DIV: Douglas W. Mills, sr vp-gm; Mark Shapiro, vp-mktg.

Cycle, Gravy Train: Bayer Bess Vanderwarker, Chicago. R. Brian Goodall, exec vp-dir, acct mgmt.

Kibbles'n Bits'n Bits'n Bits, King Kole, dog and cat treats: J. Walter Thompson USA, Chicago. John Wells, sr vp.

FOODSERVICE DIV: Walter G. VanBenthuysen, pres; Paul Barron, vp-mktg.

Pritikin: Frank C. Nahser Inc., Chicago. Thomas Perlitz, sr vp.

RANK: 31

Ralston Purina Co.

St. Louis

Ad spending: **$354.5** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	26,272	34,093	(22.9)
Sunday magazine	3,112	1,407	121.2
Newspaper	1,108	3,163	(65.0)
Outdoor	145	24	515.7
Network TV	48,525	69,068	(29.7)
Spot TV	26,845	25,256	6.3
Syndicated TV	11,805	13,424	(12.1)
Cable TV networks	7,620	4,802	58.7
Network radio	0	1,183	NA
Spot radio	2,168	2,166	0.1
Measured media	127,601	154,585	(17.5)
Unmeasured	226,900	274,900	(17.5)
Total	354,501	429,485	(17.5)
By top brands	**1990**	**1989**	**% chg**
Eveready batteries	29,006	30,427	(4.7)
Purina dog food	24,090	47,177	(48.9)
Hostess cakes & pies	13,805	2,062	569.6
Ralston cereal	11,555	19,011	(39.2)
Beech-nut baby food	8,142	7,782	4.6
Purina cat food	7,136	14,470	(50.7)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	7,101	6,658	6.6
Earnings	396	423	(6.3)
U.S.	**1990**	**1989**	**% chg**
Sales	5,084	4,826	5.3
Operating profit	716	663	8.0
Division sales	**1990**	**1989**	**% chg**
Bakery prods.	1,957	1,941	0.8
Pet foods	1,701	1,685	1.0
Cereals	508	414	22.7
Battery products	1,542	1,351	14.1
Agricultural products	907	954	(4.9)
Soy protein products	262	222	18.0
Other	226	93	143.8

CORPORATE PROFILE

Ralston Purina Co. counted on a strong cereal business and improved results for Eveready batteries to offset flat results in pet food, which had a bust year in fiscal 1990.

Sales rose just 0.9% as the Purina brands struggled to keep unit volumes up in the face of unremitting price and promotion wars in the $7 billion pet food industry. Purina accounted for 24% of sales but 40% of operating income.

Purina is seeking to capitalize on the trend toward superpremium, "lifestage" products led by Iams Co. and Colgate-Palmolive Co.'s Hill's Pet Products. Purina has developed brands for the growing number of pet owners who shop at non-supermarket outlets—a business now totaling $1 billion-plus in estimated sales.

In the past year, the company expanded the premium-price Purina O.N.E. line to include not only dog food but puppy, light and senior dog foods, as well as cat and kitten formulas. The expansion, supported by a $40 million to $50 million marketing campaign, came as key rivals Kal Kan Foods and Quaker Oats Co. introduced similar premium, lifestage products under the Expert and Cycle banners.

For its mainstream pet food brands, Purina launched an umbrella ad campaign with similar positioning: the four mainline Purina dog foods—Dog Chow, Puppy Chow, Fit & Trim and Hi Pro—meet dogs' differing nutritional needs. Similarly, Purina added to its Cat Chow line with Cat Chow Mature for older cats and Cat Chow Special Care.

Purina also launched Nature's Course, billed as the first dog food made with pesticide-free wheat, and packaged in recycled-paper boxes.

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The Times-Picayune is as much a part of New Orleans as coffee and beignets. For information about the New Orleans market and The Times-Picayune, contact Robert O'Neill at (504) 826-3070.

The Times-Picayune's Coverage of the New Orleans Market:*

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*Source: Belden CMS, March-December 1990

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Purina leads the $5.7 billion market for supermarket pet foods with an overall 26.4% share but has lost some ground in recent years to aggressive pricing by Kal Kan (now the country's No. 3 pet food marketer, with 12.4% of supermarket sales). No. 2 is Friskies PetCare (14.4%).

In the $7.2 billion ready-to-eat cereal category where Ralston is a small niche player, the company had a banner year, with a dollar sales increase of 22.7%. On top of the company's 1989-90 success in marketing licensed cereals for children—particularly Batman and Teenage Mutant Ninja Turtles—Ralston was the key beneficiary in 1990-91 as economy-minded consumers shifted to lower-price, private-label cereals. Private-label cereals, of which Ralston is the primary producer, increased their category pound share to 6.5%, up from 3.6% in 1987. Ralston's branded products had a 6.1% pound share of the market, up from 5.6% in 1989.

Ralston is being challenged to maintain that momentum; its Jetsons cereal was a flop, and the company has suffered from a dearth of big licensed properties.

Ralston's key non-food business, Eveready Battery Co., spent most of its $30 million in media support behind the bunny campaign. Now approaching its second anniversary, the campaign has helped stabilize Energizer's once-falling share of the $2 billion battery business. In fiscal 1990, Eveready's domestic unit sales total was up 4%, with Energizer posting double-digit gains. Energizer continues to trail Duracell about 36% to 44% in the alkaline segment of the battery business.

Ralston's newest division, Beech-Nut Nutrition Corp., shifted its $8 million baby food account to DDB Needham Worldwide from Sherwood & Schneider, one of Ralston's stable of regular ad agencies. Beech-Nut this past April launched a new ad campaign and began testing an "organic" baby food line, Special Harvest.

Continental Baking Co. struggled in a price war in the $1.1 billion market for package doughnuts, snack cakes and pies. The company's sales were flat, and its supermarket share totaled 26.6%, behind leader McKee Baking Co., marketer of Little Debbie treats. Continental's main product initiative has been launching reduced-fat and -calorie versions of its older products, including "light" Hostess Twinkies and Cupcakes.

HEADQUARTERS

Ralston Purina Co./Checkerboard Square/St. Louis, Mo. 63164/Phone: (314) 982-1000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: T.E. Touhill, vp-dir, adv/creative resources. Centra Advertising Co. (in-house): T.P. Cenova, S.J. McMichael, vps-co-creative dirs; J.K. Lucas, vp-dir, client svcs. Checkmark Promotion & Marketing (in-house): G.C. Cook, pres. Checkerboard Media Co. (in-house): D.R. Martin, pres.

GROCERY PRODUCTS DIV: T.E. Block, vp-dir, dog food mktg; A.R. Bresler, vp-dir, cat food mktg; J.R. von der Heydt, dir-mktg, Chex cereals/specialty foods mktg; D.D. Buck, dir-mktg, children's foods/all family mktg; J.R. Sivewright, bus dir-store brand mktg.

Bran Buds, Ghostbusters, Ill Pro: Ally & Gargano, New York. Warren Dechter, exec vp.

Address Family, Almond Delight, Bill & Ted's Excellent Cereal, Bran Chex, Chex, Cookie-Crisp, Cat Chow, Prince of Thieves, Teenage Mutant Ninja Turtles Pizza Crunchabunchas, WWF Superstars: Avrett, Free & Ginsberg, New York. John G. Avrett, chmn.

Dog food-Hispanic adv: Castor Advertising Corp., New York. Filberto Fernandez, pres.

Deli Cat, Dog Chow, Meaudl, Pro Plan pet foods, Pro-Visions, Puppy Chow, Keystone Resort: Centra Advertising, St. Louis. J.W. Hickman, vp-acct super.

Eff 'E Kahoodle, Mister Mix: DDB Needham Worldwide, Chicago. Pat Winegar, vp-acct super.

Dog food umbrella campaign, Nature's Course: Fallon McElligott, Minneapolis. Patrick R. Fallon, chmn.

Bran, Breakfast on the Run, Chuck Wagon, Purina Biscuits: Martin Marshall Jaccoma Mitchell, New York. George Jaccoma, chmn.

Teenage Mutant Ninja Turtles cereal: Noble Tennant Co., Chicago. Timothy Dorgan, pres-ceo.

Grocery, Purina O.N.E.: Scali, McCabe, Sloves, New York. Stuart Epstein, exec vp.

Pets for People: Simmons, Durham & Associates, St. Louis. B.W. Durham, Jr., exec vp-treas.

Pro Plan, breeder authorized mktg: Stockton West Burkhart, Cincinnati. Maureen Vogele, sr vp-dir, client svcs.

Buggin' Stripe, Chex Snack Mix, Double Chex, Lucky Dog: Tatham/RSCG, Chicago. Thomas Schafer, sr partner-acct mgr.

Veterinary adv: John Volk Co., Chicago. John Volk, pres-acct super.

CONTINENTAL BAKING CO.: J.W. Brown, chmn-ceo; R.W. Bracken, exec vp; J.T. Sweetwood, vp-dir, mktg/bread; R.M. Proctor, vp-dir, mktg/cake.

EVEREADY BATTERY CO.: J.P. Mulcahy, chmn-ceo; G.L. Meffert, exec vp; M.S. Foley, vp-brand mktg/bus devel; R.J. Smith, dir-brand mktg/primary batteries; A.A. Bevilacqua, dir-brand mktg/diversified prods.

Energizer, lighting products: Chiat/Day/Mojo, Venice, Calif. Bob Kuperman, pres-ceo.

Hispanic adv: Castrillova-Pendrill Publicidad, Irvine, Calif. Paul L. Casanova, pres.

BEECH-NUT NUTRITION CO.: J.A. Nichols, pres; B.L. Korn, grp dir, Beech-Nut.

Beech-Nut: DDB Needham Worldwide, Chicago. Pat Winegar, vp-acct super.

Hispanic adv: Conill Advertising, New York. A. Conill, mgmt super.

RANK: 74

Revlon Group

New York

Ad spending: $143.6 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	43,248	48,254	(10.4)
Sunday magazine	2,805	3,484	(19.5)
Newspaper	50	307	(83.6)
Outdoor	5	58	(91.2)
Network TV	12,614	15,444	(18.3)
Spot TV	8,496	5,012	69.5
Syndicated TV	2,131	1,718	24.0
Cable TV networks	2,189	2,251	(2.8)
Network radio	0	323	NA
Spot radio	114	9	1,229.7
Measured media	71,653	76,860	(6.8)
Unmeasured	71,900	77,100	(6.7)
Total	143,553	153,960	(6.8)
By top brands	**1990**	**1989**	**% chg**
Revlon shampoos & conditioners	9,515	6,216	53.1
Revlon haircare products	6,041	6,399	(5.6)
Unforgettable perfume	5,625	0	NA
Revlon facial products	5,170	3,468	49.1

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	3,237	2,942	10.0
Earnings	142	53	168.9
U.S.	**1990**	**1989**	**% chg**
Sales	1,918	1,890	1.5
Operating profit	184	224	(17.9)
Division sales	**1990**	**1989**	**% chg**
Beauty products	2,635	2,446	7.7
Healthcare	502	402	24.8
Flavors	100	94	6.5

CORPORATE PROFILE

After buying Revlon in 1985, Ronald O. Perelman, positioned himself as a marketer as fluent with advertising as the art of the deal. Six years later, the dealmaker still dominates.

Rumors were rife in late 1990 and early this year that Mr. Perelman was considering dismantling his cosmetics empire. By this April, Germaine Monteil and Lancaster had been sold to Joh. A. Benckiser of Germany. Later in the month came an even bigger deal: Procter & Gamble Co. paid $1.06 billion for Revlon's worldwide Max Factor and Betrix lines of cosmetics and fragrances with combined sales of $800 million, 80% of it overseas.

Following the announcement, Revlon President Sol Levine, 63, retired. He was replaced by Jerry Levin, 46, previously exec VP of parent company MacAndrews & Forbes Holdings and best known for his skills in mergers and acquisitions.

Besides reducing its international beauty presence, Revlon lost mass-market share points in the U.S. Its pre-sale level was about 20% of mass-market cosmetics, with 12% to 13% from the basic Revlon brand and 7% from Max Factor and Almay combined.

Revlon, set to launch a Darker Tones of Almay line for ethnic consumers in November, refused comment on rumors of an Almay sale. The company in the meantime announced the sale of another cosmetic line, Clean & Clear, to Johnson & Johnson Consumer Products.

While Mr. Perelman has been adept at raising money, Revlon hasn't won equally high marks in marketing.

Just after restaging Flex in late 1990, the company announced the brand would again be overhauled with a new ad campaign and returned to its basic package design. The turnabout followed declines in market share for shampoo, which at the end of 1990 stood at 2.6%, down from 8% five years earlier. To help boost Flex, Revlon also introduced Flex & Go, a two-in-one shampoo/conditoner. Flex's ad spending rose 1.6% to $6.3 million in 1990.

Revlon's fragrances also have had a bumpy ride, with one of the few exceptions being the Guess department store brand launched in 1990 and extended this year to the men's category.

Revlon also has announced the delay of two fall 1991 fragrance launches, the much heralded Ellen Tracy designer perfume and Fire & Ice. The company blamed technical problems for Tracy's delay and positioning difficulties for Fire & Ice.

Revlon will proceed, however, with the fall introduction of Downtown Girl, a mass-market fragrance. This summer it also introduced Charlie Express, yet another line extension of the aging brand now being squeezed by both Coty's exclamation! and Cover Girl's Navy. Charlie's ad spending fell to $869,000 in 1990 from $2.7 million in 1989.

In skincare, Revlon in 1991 introduced a line called New Age Naturals, but the jury's still out on its success.

HEADQUARTERS

Revlon Inc./625 Madison Ave./New York, N.Y./ Phone: (212) 572-5000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Ronald O. Perelman, chmn & ceo; Jerry Levin, pres; Michael Hammond, pres-Revlon North America; Richard Tarlow, pres-Tarlow Advertising (in-house); Arne Zimmerman, pres-Revlon Classic Cosmetics & Fragrance Grp.; Charles Pergola, pres-Revlon Beauty Care; Irving Bottner, pres-Revlon Professional Prods.; Michael Gannaway, pres-strategic planning; Peter Zegras, pres-Fine Fragrance Grp.; Andrea Robinson, pres-Ultima II; Paul Block, exec vp-mktg; Daniel J. Moriarty, sr vp-pr; Annette Golden, exec vp-creative mktg.

Revlon, Almay, Ultima II, Revlon Fine Fragrances, Princess Marcella Borghese, Alexandra de Markoff, Jeanne Gatineau, Visage Beauté, Telleréve: Tarlow Advertising, New York (in-house). Richard Tarlow, pres.

Corporate media buying: Tarlow Advertising, New York (in-house). Anthony Cozzolino, vp-media/budget.

Sunset fragrance: Peter Rogers Associates, New York. Linda McGrath, acct super.

RANK: 13

RJR Nabisco

Winston-Salem, N.C.

Ad spending: $636.1 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	78,800	132,780	(40.7)
Sunday magazine	9,122	3,971	129.7
Newspaper	10,936	6,136	78.2
Outdoor	52,356	49,144	6.5
Network TV	133,555	143,309	(6.8)
Spot TV	17,313	9,260	87.0
Syndicated TV	22,144	13,285	66.7
Cable TV networks	21,667	17,852	21.4
Network radio	1,560	2,584	(39.6)
Spot radio	1,845	4,257	(56.6)
Measured media	349,297	382,577	(8.7)
Unmeasured	286,800	314,100	(8.7)
Total	636,097	696,677	(8.7)
By top brands	**1990**	**1989**	**% chg**
Nabisco cookies & crackers	94,890	69,907	35.7
Camel cigarettes	30,853	27,222	13.3
Salem cigarettes	25,402	29,605	(14.2)
Winston cigarettes	18,729	23,981	(21.9)
Life Savers	15,660	13,998	11.9
Carefree gum	15,118	13,288	13.8
Chex cereals	14,946	11,129	34.3
Fleischmanns margarine & oils	14,150	14,924	(5.2)
Vantage cigarettes	13,833	24,999	(44.7)
Nabisco cereals	12,901	21,573	(40.2)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	13,879	12,764	8.7
Earnings	(429)	(1,149)	NA
U.S.	**1990**	**1989**	**% chg**
Sales	12,125	10,521	15.2
Operating income	2,696	1,964	37.3
Division sales	**1990**	**1989**	**% chg**
Tobacco	8,053	6,981	15.4
Food	5,826	5,783	0.7

CORPORATE PROFILE

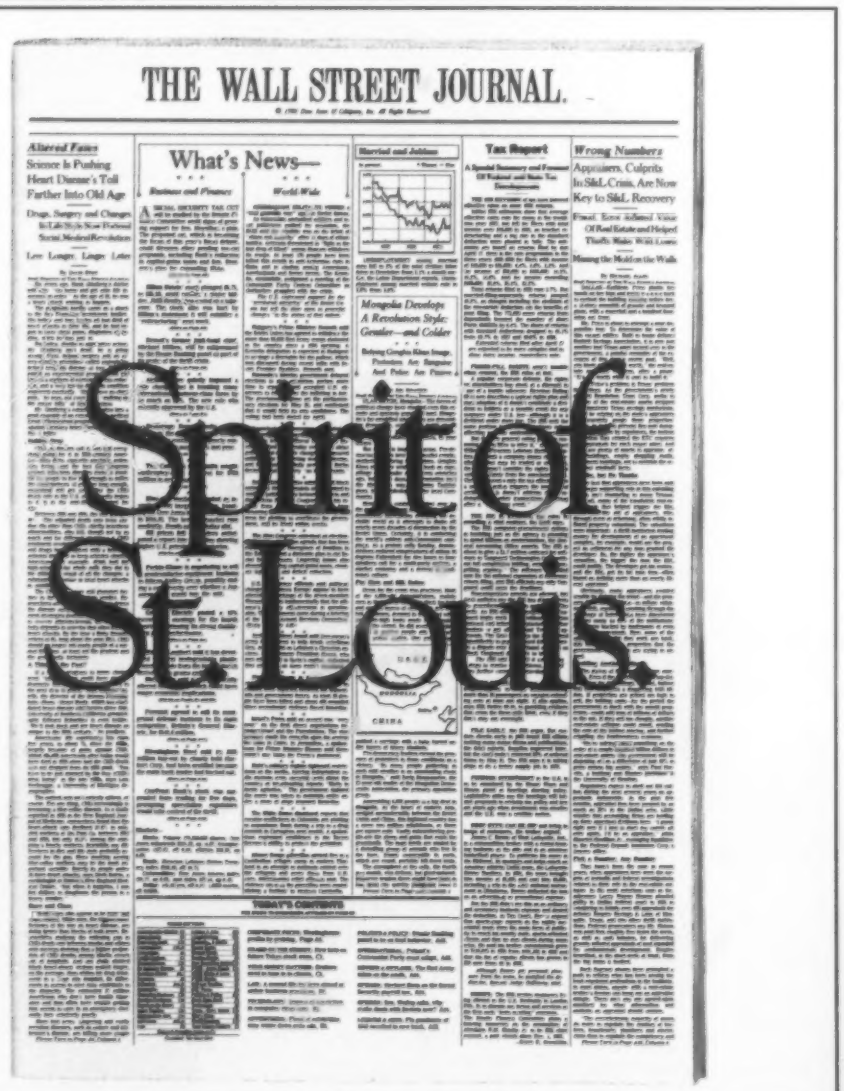
RJR Nabisco, having shed much of its debt in 1990, began stepping up new-product introductions.

In a year in which Nabisco Biscuit increased its leading share of the $7 billion cookie/cracker market to 44% from 43% in 1989, the division built on the success of its line extension strategy, introducing Mini Chips Ahoy!, Sprinkled Chips Ahoy!, Fat Free Premium crackers and Ritz Bits in several flavors. In 1991, it added Mr. Phipps Pretzel Chips, My Goodness! low-fat cookies, Teddy Graham Bearwiches and Mini Oreos.

Nabisco's flagship Oreo, in danger of losing its No. 1 position to No. 2 Chips Ahoy!, got a boost from an "Oreo Twist" ad and promotion campaign. Nabisco put $13.8 million behind the promotion featuring singer Chubby Checker, upping the media ante by 36.6%. Oreo sales rose 8%.

The division's success during 1990 led the company to appoint VP-Marketing Bruce Wood, 40, to the presidency of RJR's ailing Planters LifeSavers division this April. Mr. Wood succeeds Dolph von Arx, 56, who retired.

At the same time, the company merged Planters with Nabisco into RJR Nabisco



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Foods Group.

RJR Nabisco's magazine spending, cut by 48.9%, was a casualty of the tobacco unit's increasing favoring of direct mail and outdoor.

R.J. Reynolds Tobacco Co.'s market share volume improved 1.2 percentage points to 29.7% in 1990 compared with Philip Morris Cos.' leading 41.9% share, flat with 1989, according to Wheat, First Securities analyst John C. Maxwell Jr.

With the exception of Camel, RJR's growth was not in any of its full-margin brands, a lineup that includes Winston, Salem and Vantage. Camel rose to 4.4% of market from 3.9%, according to Mr. Maxwell.

Playing on Camel's momentum, the company this summer began testing Camel 99s, a 100-millimeter version of Camel packed in a hard box.

Salem barely held share in 1990, with 6.2%, flat with a year earlier, Mr. Maxwell said, while Vantage declined to 2.4% from 2.5%. Winston dropped to 8.8% from 9.1%.

RJR remained the leader in value-price cigarettes in 1990 with a 31.3% share compared with Philip Morris' 24.8%, but the lower margin lines gained enough steam to endanger RJR's full-price brand sales. As a solution, RJR in June 1991 unveiled "The Wrap," a new airtight packaging system for Winston designed to add value and justify its full pricing positioning. The "Wrap," was supported by a $22 million print, outdoor and direct mail campaign.

HEADQUARTERS

RJR Nabisco/1301 Avenue of the Americas/New York, N.Y. 10019/Phone: (212) 258-5600.

PERSONNEL, BRANDS, AGENCIES

R.J. REYNOLDS TOBACCO CO.: James Schroer, exec vp-mktg/sales; David Iauco, sr vp-mktg.

Winston, Salem, Vantage: FCB/Leber Katz Partners, New York. Robert Hisch, sr exec vp.

Camel, More and Now: Young & Rubicam, New York. Jane Brite, grp gm.

Century, Magna, Doral, Sterling: Long, Haymes & Carr, Winston-Salem, N.C. John Barclay, vp-mgmt super.

Sports Marketing Enterprises: Long, Haymes & Carr, Winston-Salem, N.C. Logan McCabe, vp/dir-special events.

R.J. REYNOLDS TOBACCO INTERNATIONAL: John Winebrenner, sr vp-mktg.

Camel-worldwide: McCann-Erickson Worldwide, New York. Sanford J. Kornberg, sr vp.

Regional Advertising-Salem, Winston: J. Walter Thompson USA, New York. William C. Thompson, vice chmn-client operations.

RJR NABISCO FOODS GROUP: Robert Springer, sr dir-adv svcs; Louis Rubinacci, dir-media svcs; Beth McMorrow, dir-commercial prodn.

NABISCO BISCUIT CO. (RJR Nabisco Foods Grp.): Sharon Fordham, sr dir-new bus; Fran Myers, sr dir-strategic planning/mkt research; Jeff Myers, sr dir-integrated mktg programs; Allan Falvey, dir-promos; Michael Perry, dir-media svcs; Sandy Putnam, category bus dir-cookies; Eric Shullman, category bus dir-crackers.

Crackers: McCann-Erickson Worldwide, New York. Rob McKinley, sr vp-grp dir.

Cookies: FCB/Leber Katz Partners, New York. Colleen Gowl, exec vp-grp mgmt dir.

NABISCO FOODS CO. (RJR Nabisco Foods Grp.): Daniel Clark, sr vp-mktg/research/devel planning; Alice Limina, sr dir-planning; Roger Wagner, Charlesanna Ecker, Marc Schoenholz, sr dirs-mktg; Richard Fischetti, dir-mkt research.

A-1 Steak Sauce, Grey Poupon, Ortega Mexican Foods, College Inn: Lowe & Partners, New York. Steve Cooper, sr vp-mgmt super.

PLANTERS LIFESAVERS CO. (RJR Nabisco Foods Grp.): Cheryl Bachelder, vp-mktg/bus devel; Roger Adams, dir-Planters; Josephy Collerd, dir-confections; Alan Cox, dir-strategic planning; Larry Bumgart, dir-special mkts; Kathi Mocniak, dir-research/analysis.

Planters nuts & snacks: Lintas:New York. Stephanie Becker, sr vp-mgmt super.

Bubble Yum, Fruit Stripe Gum: Long, Haymes & Carr, Winston-Salem, N.C. Catherine Jarvis, acct mgr.

Lifesavers: FCB/Leber Katz Partners, New York. Lori Donchak, sr vp-grp mgmt dir.

RANK: 38

Sara Lee Corp.

Chicago

Ad spending: $306.7 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	28,162	36,176	(22.2)
Sunday magazine	5,179	4,412	17.4
Newspaper	1,184	1,718	(31.1)
Outdoor	208	43	389.2
Network TV	74,273	98,272	(24.4)
Spot TV	16,969	28,582	(40.6)
Syndicated TV	11,508	6,499	77.1
Cable TV networks	3,389	3,571	(5.6)
Network radio	2,051	462	343.9
Spot radio	2,612	1,621	61.1
Measured media	145,513	181,356	(19.8)
Unmeasured	161,200	200,900	(19.8)
Total	306,713	382,256	(19.8)
By top brands	**1990**	**1989**	**% chg**
Leggs hosiery	25,545	28,314	(9.8)
Hanes underclothing	16,606	31,781	(47.7)
Hillshire Farms meats	13,715	10,956	25.2
Hanes hosiery	12,370	21,480	(42.4)

U.S. AD SPENDING ($ in thousands)

By top brands	1990	1989	% chg
Hanes sportswear	8,961	7,357	21.8
Aris isotoner slippers	7,299	11,286	(35.3)
Ball Park meats	6,936	4,553	52.4
Aris gloves	5,175	7,576	(31.7)

SALES & EARNINGS ($ in millions)

Worldwide	1991	1990	% chg
Sales	12,381	11,606	6.7
Earnings	535	470	13.8
Division sales	**1991**	**1990**	**% chg**
Packaged meats	5,124	4,959	3.3
Coffee & grocery	1,938	1,834	5.7
Personal products	4,103	3,757	9.2
Household, personal care	1,216	1,060	14.7

CORPORATE PROFILE

Hosiery and knitwear, rather than the traditional bakery unit, are cooking these days at Sara Lee Corp.

That trend will be even more pronounced with the addition of Playtex Apparel, including such brands as Playtex, Cross Your Heart and I Can't Believe It's a Girdle, to the company. The buyout was announced this August.

First Boston Corp. earlier this year estimated Sara Lee brands accounted for 11% of the bra market, followed by Playtex's 10.4%. Sara Lee's intimate apparel lines include Bali and Hanes Her Way.

L'eggs, the hosiery brand that helped give Sara Lee a national profile, switched its pantyhose packaging this year—a move widely reported.

The new carton, to reach national distribution by early 1992, still shows a silhouette of the signature egg and is made entirely from recycled paperboard.

L'eggs holds an estimated 55% of hosiery sales in food, drug and discount stores, which account for 60% of all hosiery sales in the $2.2 billion market.

Spending was to be up significantly this year; last year the brand received $25.5 million, down 9.8%.

The Liz Claiborne designer line of mid-price hosiery was introduced in late 1990. It attracted $2.4 million in media spending.

In September 1990, the company rolled out Sara Lee Free & Light, a seven-product line of frozen desserts, following rival Entenmann's successful introduction of fat-free, shelf-stable baked goods.

Similarly, Sara Lee's meat division offered new "light" products, including Ball Park Lite hot dogs, Jimmy Dean Light sausage, Mr. Turkey deli-style lunch meats and a full line of Bryan Light meats.

Bryan Foods named Ogilvy & Mather, Atlanta, to succeed Lintas:New York on its $5 million account this June. Sara Lee in 1990 had consolidated $100 million in advertising and promotion at Lintas.

One of the fruits of the consolidation was a cross-branded product line, Sara Lee deli meats, rolled out by Bil Mar Foods this summer.

The company's media spending for 1990 fell 19.8% largely due to a drop in the Hanes media budget—down 38% to $37.9 million.

HEADQUARTERS

Sara Lee Corp./Three First National Plaza/Chicago, Ill. 60602-4260/Phone: (312) 726-2600.

PERSONNEL, BRANDS, AGENCIES

SARA LEE MEATS GROUP: George Bryan, sr vp-ceo; Ed Jenkins, vp-bus devel.

BIL MAR FOODS (Sara Lee Meats Grp.): E. James Weber, vp-sales/mktg, retail div; Steve Michaelson, dir-mktg, retail div; George Chivari, vp-sales/mktg, foodservice div; Dan Lennon, dir-sales, foodservice div; Warren Waters, vp-deli div; Mike Briggs, mgr-mktg, deli div.

Bil Mar Foods, Mr. Turkey: Retail: Lintas:Campbell-Ewald, Detroit. William Case, sr vp-mgmt super. Foodservice: The Food Group, New York. Ken Seiter, acct mgr. Deli: Lintas:New York. Russ Schaff, sr acct exec.

BRYAN FOODS (Sara Lee Meats Grp.): Bryan Foods: Rick Lowry, vp-mktg, retail; John Bryan III, dir-sales, foodservice; Pat MacGhee, natl sales/mktg mgr-shelf stable. Seitz Foods Inc.: Rick Benward, vp-sales/mktg. State Fair Foods: Robert Greenberg, dir-mktg.

Bryan Foods: Ogilvy & Mather, Atlanta. Neill Cameron, mg dir.

State Fair Foods: Larkin, Meeder & Schweidel, Dallas. Barbara Dressler, acct super.

GALLO SALAME (Sara Lee Meats Grp.): Ron Beltrame, dir-mktg.

Lewis, Broward & Associates, Oakland, Calif. Fred Whelan, acct exec.

HILLSHIRE FARM & KAHN'S (Sara Lee Meats Grp.): Greg Sykes, vp-retail sales/mktg; Dick Dedden, vp-trade mktg; Scott Pursley, vp-consumer mktg; Jay Leigeber, dir-mtkg, smoked/semi-dry sausage.

Hillshire Farm meats, Kahn's meats: Lintas:USA, New York. Peter Barnet, exec vp. Natl mktg/media svcs: Sive Associates, Cincinnati. Phil Mandel, vp-mktg planning.

HYGRADE FOODS (Sara Lee Meats Grp.): Margaret Riley, vp/dir-mktg.

Lintas:Campbell-Ewald, Detroit. Peter Barnet, exec vp.

JIMMY DEAN FOODS (Sara Lee Meats Grp.): Ginna Domm, vp-mktg, retail; Bob Holliday, vp-foodservice.

Lintas:USA, New York. Neill Meyers, exec vp/mgmt super.

SARA LEE BAKERY: Joe Kiely, exec vp; Richard Seban, dir mktg.

Lintas:USA, New York. Peter Barnet, exec vp.

DOUGLAS FOODS: Billy D. Brown, vp-sales/mktg; Robert Whitsitt, dir-mktg.

DESIGN FOODS: Hal Carper, vp-sales/mktg.—

Banowetz & Co., Dallas. Leon Banowetz, owner.

PYA/MONARCH: George T. Watson, vp-marketing/procurement; Mike Stiles, mgr-mktg/procurement.

SUPERIOR COFFEE & FOODS: John Hughes, vp-sales/mktg; Mary Kay Buettgen, dir-mktg; Ralph Russo, vp-retail/gourmet.

L'EGGS PRODUCTS: John Letzler, vp-mktg; Steve Lineberger, Eva Wu, Jim Hines, Bob Scott, mktg dirs.

L'eggs consumer adv: Saatchi & Saatchi Advertising, New York. Michael Donahue, exec vp-mgmt dir.

L'eggs retail adv: Lintas Communications, New York. Sheila Sasser, sr vp-grp dir.

HANES HOSIERY: Carol Mabe, vp-mktg; Charlotte Farrior, dir-designer brands; Davi McBride, dir-mktg, retail; Rosanne Wallace, dir-Hanes; Steve Halbreich, dir-Isotoner/Fitting Pretty.

Hanes hosiery: Saatchi & Saatchi Advertising, New York. Michael Donahue, exec vp-mgmt dir.

Hanes Fitting Pretty hosiery: Long, Haymes & Carr, Winston-Salem, N.C. Maureen Dunkley, acct exec.

Bonnie Doon hosiery: Arnell Bickford, New York. Peter Arnell, Ted Bickford, owners.

Liz Claiborne hosiery: Altschiller Reitzfeld/Tracy-Locke, New York. Jerry Dak, vp-mgmt super.

HANES & HANES HER WAY KNIT PRODUCTS: Jim DeRose, pres; John Ceneviva, vp-mktg; Lisa Hudspeth, dir-mktg, Hanes underwear; Fran Brau, dir-mktg, Hanes/Hanes Her Way activewear; Kirk Beaudin, pres-Hanes Screenprint; Steve Lineberger, vp-mktg, Hanes Screenprint; Meg McGee, dir-mktg, Hanes Screenprint T-shirts; Jim Ostrowski, vp-sales/mktg, Hanes Intl.

Long, Haymes & Carr, Winston-Salem, N.C. Bill Britt, mgmt super-men's wear; Bill LeVasseur, mgmt super-Hanes Her Way/Fitting Pretty; Patrick O'Sullivan, mgmt super, Hanes/Hanes Her Way promcs-retail mktg.

BALI: Mary Kay Edwards, vp-mktg/merch; Steve Foss, dir-mktg; Ted Cooper, vp-mktg, Hanes Her Way Foundations; Chuck Nesbit, dir-mktg, Hanes Her Way Foundations.

Saatchi & Saatchi Advertising, New York. Michael Donahue, exec vp-mgmt dir.

CHAMPION: Terry Owen, pres; Paul Wold, vp-mktg; Ward Wilson, vp-merch; Cliff Bull, vp-dir, graphics & comms.

Champion athletic apparel & footwear: Rumrill-Hoyt, Rochester, N.Y. Helen Hutchings, acct super.

ADAMS-MILLIS: George Burfeind, pres-ceo; Don Fought, dir-mktg, Hanes Bill Blass Collection/Hanes Her Way/Natural Moves; Ann Thomason, Julianne Golden, Bruce Peoples, mktg mgrs.

ANNE KOUTOMER: George Sokolowski, vp-mktg/adv.

Media buying: Saatchi & Saatchi Advertising, New York. Michael Donahue, exec vp-mgmt dir.

CARAVELLE:

Wonderbra, Bainy Freak: The Academy, Ogilvy Communications, Montreal. Ross Cammalleri, grp dir.

COACH LEATHERWARE: Michael Colemen, vp-mktg; Catherine Sadler, dir-comms.

Kirshenbaum & Bond, New York. John Bond, pres.

SARA LEE/DOUWE EGBERTS: Jack Rickenbach, grp prod mgr-Kiwi Brands.

Kiwi Brands, Ty-D-Bol: FCB/LGK, Philadelphia. Robert W. Schell, vp-grp mgmt super.

RANK: 91

Schering-Plough Corp.

Madison, N.J.

Ad spending: $124.9 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	20,948	18,529	13.1
Sunday magazine	29	0	NA
Newspaper	361	1,611	(77.6)
Outdoor	237	77	208.3
Network TV	28,464	32,019	(11.1)
Spot TV	4,568	4,348	5.1
Syndicated TV	2,863	3,380	(15.3)
Cable TV networks	1,593	3,140	(49.2)
Network radio	995	7,804	(87.3)
Spot radio	299	1,794	(83.3)
Measured media	60,357	72,702	(17.0)
Unmeasured	64,500	77,700	(17.0)
Total	124,857	150,402	(17.0)
By top brands	**1990**	**1989**	**% chg**
Drixoral 12-hour cold tablets	10,879	15,126	(28.1)
Dr. Scholls products	8,666	7,465	16.1
Complements contact lenses	7,887	0	NA
Correctol laxative	7,828	7,029	11.4
Tinactin medication	6,293	7,693	(18.2)

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SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	3,323	3,158	5.2
Earnings	565	471	19.9
U.S.	**1990**	**1989**	**% chg**
Sales	1,890	1,749	8.1
Operating profit	572	523	9.3
Division sales	**1990**	**1989**	**% chg**
Pharmaceuticals	2,586	2,208	17.1
Healthcare products	618	627	(1.4)

CORPORATE PROFILE

Although Schering-Plough Corp. two years ago sold Maybelline Co. to concentrate on pharmaceuticals, its ethical drug business is discovering money is to be made in the consumer market.

Schering-Plough in late 1990 moved two ethical drugs into over-the-counter sales: Lotrimin, an athlete's foot treatment, and Gyne-Lotrimin, a preparation for vaginal yeast infections.

After receiving FDA approval last year to market Lotrimin as both an OTC and prescribed product, Schering-Flough spent almost $2 million to promote its consumer launch.

Schering-Plough doled out $6.8 million in the first quarter of 1991 to support Gyne-Lotrimin, the first OTC preparation for vaginal yeast infections.

Schering-Plough is working with Dow Chemical's Marion Merrell Dow to move Carafate, a prescription anti-ulcer product, to OTC for treatment of upset stomach, heartburn and acid indigestion.

Separately, Schering-Plough continued to provide strong media support for Dr. Scholl's footcare products which rose 11.7% to $14.4 million in 1990, and spending for Coppertone suntan products almost quadrupled to $2.3 million in 1990.

Coppertone maintained its position as the leader in suntan products; it marked a slight share increase, to almost 19%, while its nearest competitors were flat. Second-place Hawaiian Tropic, from Tanning Research Labs, was flat with an 11.3% share. This year, Schering-Plough released Coppertone Sport, a waterproof and sweat-resistant sunscreen designed for athletes.

Among its respiratory OTC lines, Afrin, heretofore a nasal spray, was introduced in tablet form and gained an Afrin Saline Mist line extension. Drixoral cold remedy line got a Drixoral Sinus spinoff, a product offering consumers 12-hour relief. Drixoral spending was down 28.1%. Afrin has only drawn minimal consumer ad support.

Wesley-Jessen, the vision care unit, in April 1990 released Complements, a new line of colored contact lenses. Media dollars were shifted from the DuraSoft line to Complements.

HEADQUARTERS

Schering-Plough Corp./One Giralda Farms/Madison, N.J. 07940-1000/Phone: (201) 822-7000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE MEDIA BUYING: Schering-Plough HealthCare Prods. Adv. Corp. (in-house): Russell Elliot, pres; Ron Mednick, vp-media planning; Steve Romines, vp-media purchasing.

SCHERING-PLOUGH HEALTHCARE PRODUCTS DIV: David E. Collins, pres; Richard Whittaker, sr vp-OTC sales/mktg; Fred Fritz, sr vp-footcare sales/mktg.

Coppertone 15, Correctol, Dr. Scholl's Insoles, Gyne-Lotrimin, Lotrimin AF, Solarcaine, Tropical Blend, Water Babies: Cadwell Davis Partners, New York. Elliot Glazer, exec vp-dir, acct svcs.

Afrin, Coppertone, Dr. Scholl's Back Guard, Dr. Scholl's Clear Away, Dr. Scholl's Hidden Comfort, Dr. Scholl's Smooth Touch, Dr. Scholl's corn & callus products: Della Femina, McNamee, New York. Larry Smith, vp-mgmt super, Afrin; Robert Peterson, vp-mgmt super, Coppertone; Joanne Tilove, vp-mgmt super, Dr. Scholl's.

Chlor-Trimeton, Drixoral, Shade, Tinactin: Warwick Baker & Fiore, New York. Rebecca Randall, vp-acct super.

PHARMACEUTICAL OPERATIONS DIV: Rodolfo Bryce, pres-Schering Laboratories; Robert Baldini, sr vp-sales/mktg. Key Pharmaceuticals-Schering Labs; Glenn Horrocks, vp-U.S. mkts/sales, S-P Animal Health; Thomas F. Battaglini, sr dir-mktg, S-P Animal Health; John F. Kopf, dir-mktg svcs, S-P Animal Health; Charles Stroupe, pres, Wesley-Jessen; Robert Cullen, vp-sales/mktg, Wesley-Jessen; Thomas Steiner, sr dir-professional mktg, Wesley-Jessen.

Purevoft contact lenses, Aquaflex contact lenses, Complements contact lenses, other lens solutions: Young & Rubicam, Chicago. Tim Pretzch, vp-acct super.

RANK: 81

Seagram Co.

New York

Ad spending: **$135.3** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	31,847	29,362	8.5
Sunday magazine	1,440	1,379	4.4
Newspaper	2,227	2,920	(23.7)
Outdoor	8,892	9,021	(1.4)
Network TV	30,852	34,707	(11.1)
Spot TV	13,694	10,238	33.8
Syndicated TV	9,294	9,418	(1.3)
Cable TV networks	991	705	41.0
Network radio	778	0	NA
Spot radio	674	4,054	(83.4)
Measured media	100,689	101,802	(1.1)
Unmeasured	34,600	35,000	(1.1)
Total	135,289	136,802	(1.1)
By top brands	**1990**	**1989**	**% chg**
Tropicana juices	42,181	46,799	(9.9)
Seagrams Canadian	12,338	13,595	(9.2)
Seagram wines	8,186	10,286	(20.4)
Tropicana Juice Sparkler	6,344	0	NA
Chivas liquor	5,048	5,580	(9.5)

SALES & EARNINGS ($ in millions)

Worldwide	1991	1990	% chg
Sales	6,127	5,582	9.8
Earnings	756	711	6.4
U.S.	**1991**	**1990**	**% chg**
Sales	2,779	2,742	1.3
Operating income	67	50	34.0
Division sales	**1991**	**1990**	**% chg**
Spirits & wine	4,847	4,531	7.0
Fruit juices	1,280	1,051	21.8

CORPORATE PROFILE

Seagram Co. was displaced by Grand Metropolitan's Heublein unit as the top seller of distilled spirits in the U.S. last year.

Seagram's share of the estimated $159.6 billion liquor market in 1990 rose to 13.8% from 13.5% as media spending was essentially flat. Heublein's share climbed to 14.3% from 13.3%, according to Wheat, First Securities.

The House of Seagram, Seagram's domestic distilled-spirits unit, moved cautiously in the new-product arena, with much of the activity focused on reduced-alcohol products.

In test markets, it added Coyote, a flavored 70-proof tequila, and continues to test Mount Royal Light, a reduced-alcohol whiskey. But it has pulled Takara Sochu, a Japanese spirit, from test.

In June 1990, Seagram rolled out Wyborowa Polish vodka, its first national product introduction in years. An ad campaign that began a year later whimsically poked fun at the difficulty in pronouncing the brand's name (Vee-ba-ROH-va) with the theme, "If you can't say it, you can't have it."

Among developments in the latest of several corporate reorganizations, Seagram created a Global Brands division to better handle worldwide marketing.

A consistent worldwide campaign for Martell cognac, for which it acquired U.S. distribution rights from Brown-Forman Corp., began last year. This June, Seagram began a similar effort, valued at $40 million, for Chivas Regal scotch whisky, themed "There will always be a Chivas Regal."

Mumm champagne also will get the global ad treatment.

Seagram Beverage Co. early this year entered test markets with Taos, a sparkling wine-based light cooler marketed as an aperitif, with less than 5% alcohol.

Tropicana Products, the leading orange-juice marketer, rolled out Pure Tropics, a line of exotic 100% juice blends, and ruby-red grapefruit juice.

After the successful introduction of Tropicana Twister, a bottled juice blend, the company brought to market Tropicana Sparkler.

All Tropicana lines were backed with $48.5 million in media spending, up 3.6%, as the company's share of the orange-juice market increased to 21.8%, up from 20.2%, according to ScanTrack figures, while Coca-Cola Foods' leading Minute Maid brand had a 22.9% share, down 0.4 points. Tropicana also got a new leader, Bill Weintraub, formerly exec VP-marketing and sales for Kellogg Co.'s U.S. food products division, who replaced Robert Urbain, now general manager of Campbell Soup Co.'s Pepperidge Farm unit.

At the Seagram Chateau & Estate Wine Co., Frankfurt Gips Balkind was named to handle Perrier-Jouet champagne, and is scheduled to break a new campaign in October.

Seagram reported first-half 1990 net income fell 14%, to $337 million, on total revenues of nearly $2.8 billion, a 2.5% gain. The company attributed much of the income decline to reduced earnings at E.I. du Pont de Nemours & Co., in which Seagram holds a 24.5% stake. But Seagram's own operating income also fell 7.8% in the first half, to $285 million. Company President Edgar Bronfman Jr. said Seagram expects total 1991 operating income to exceed that of 1990.

HEADQUARTERS

Seagram Co./1430 Peel St./Montreal, Quebec H3A 1S9/Canada.

The House of Seagram/375 Park Ave./New York, N.Y. 10152/Phone: (212) 572-7000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Thomas K. McInerney, exec vp-mktg; Angelo Vassallo, vp-grp mktg dir, North American whisky grp; Peter Meola, vp-grp mktg dir, scotch/imports grp; Carl Horton, vp-grp mktg dir, white goods group; Rich McCarthy, vp-grp mktg dir, perennials grp.

Seagram's gin, Captain Morgan original spiced rum, Chivas Regal, Crown Royal, Lorenzo cordials, Lord Calvert Canadian, Martell cognac, Mumm champagne, Myers's rum, Royal Salute, Wyborowa vodka, corporate moderation campaign: DDB Needham Worldwide, New York. Kent DeFelice, exec vp-bus unit head.

Seagram's gin, 7 Crown, The Glenlivet, Seagram's V.O., Mount Royal Light: Ogilvy & Mather, New York. Neve Savage, sr vp-exec grp dir.

Jameson premium whiskey, Coyote tequila, Hornsdurs tequila: Wells Rich Greene BDDP, New York. Mark D. Abrams, sr vp-acct grp head.

Ethnic adv: The Mingo Group, New York. Samuel Chisholm, pres.

SEAGRAM BEVERAGE CO.: Mark Taxel, exec vp-mktg; Henry Hawley, vp/dir-mktg, beverage-alcohol prods/new prod devel; Robert Berger, vp-dir mktg, non-alcoholic beverages.

Seagram wine coolers, Taos: Wells Rich Greene BDDP, New York. Fred Reffsin, sr vp-mgmt super.

SEAGRAM CLASSICS WINE CO.: James L. Bareuther, exec vp-sales/mktg; Louis Keyes, vp-mktg.

Sterling Vineyards, The Monterey Vineyard, Mumm Cuvee Napa sparkling wine: Mandlebaum Mooney Ashley, San Francisco. Michael Goeffl, gm.

Mumm's champagne: DDB Needham Worldwide, New York. Kent DeFelice, exec vp.

Divisional corporate adv: Grey Advertising, San Francisco. Ellen Rosenstein, acct super.

SEAGRAM CHATEAU & ESTATE WINES CO.: John W. Laird, exec vp-sales/mktg; Nancy Rugus, vp-mktg.

Perrier-Jouet champagne: Frankfurt Gips Balkind, New York. Pat Bairo, acct dir.

Bandolero port and sherry: In-house.

TROPICANA PRODUCTS CO.: Bill Weintraub, sr vp-mktg.

Tropicana orange juice, Homestyle orange juice, Pure Premium orange juice, Pure Premium Homestyle orange juice; Tropicana Twister; Tropicana Twister Light; Tropicana Pure Tropics; Tropicana grapefruit juice, ruby-red grapefruit juice, apple juice, lemonade, fruit punch: Leo Burnett USA, Chicago. Mike Hall, sr vp-acct dir.

Tropicana Sparkler: DDB Needham Worldwide, New York. Kent DeFelice, exec vp.

RANK: 3

Sears, Roebuck & Co.

Chicago

Ad spending: **$1,507.1** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	31,233	21,329	46.4
Sunday magazine	5,921	16,034	(63.1)
Newspaper	136,796	154,924	(11.7)
Outdoor	1,072	908	18.1
Network TV	253,824	197,080	28.8
Spot TV	37,517	58,510	(35.9)
Syndicated TV	13,623	4,454	205.9
Cable TV networks	19,768	13,347	48.1
Network radio	71,253	71,660	(0.6)
Spot radio	19,759	36,053	(45.2)
Measured media	580,786	574,299	2.9
Unmeasured	916,300	890,700	2.9
Total	1,507,086	1,464,999	2.9
By top brands	**1990**	**1989**	**% chg**
Sears stores general	161,205	198,898	(19.0)
Sears household	133,029	108,409	22.7
Discover credit card service	49,846	41,058	21.4
Sears apparel	44,003	34,719	26.7
Sears automotive	32,255	32,518	(0.8)
Allstate auto insurance	28,474	20,595	38.3
Allstate homeowners insurance	23,434	18,359	27.6
Coldwell Banker & Co.	16,858	12,950	30.2
Dean Witter Reynolds	16,777	12,932	29.7
Allstate insurance	15,968	15,830	0.9

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	55,972	53,794	4.0
Earnings	902	1,509	(40.2)
Division sales	**1990**	**1989**	**% chg**
Sears Merchandise Group	31,986	31,599	1.2
Allstate Insurance Group	18,199	16,803	8.3
Dean Witter Financial Services	4,607	4,065	13.3
Caldwell Banker Real Estate	1,377	1,448	(4.9)
Corporate, other	152	146	4.1

CORPORATE PROFILE

Sears, Roebuck & Co. may owe its reputation to retailing, but financial services, insurance and real estate have become its lifeblood.

Sears Merchandise Group in a year's time dropped to third place among the nation's retailers behind Wal-Mart Stores and Kmart Corp., despite a massive restructuring in 1988, a new merchandising strategy in 1989 and the com-

The Southeast advertising region of The Wall Street Journal delivers subscribers with an average household income of $134,700. 79% with HHI $50,000 or more. 85% in top or middle management positions. At rates competitive with the Atlanta Constitution, Miami Herald, Orlando Sentinel, Tampa Tribune or the Charlotte Observer. For details, call your Journal representative.

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pany's scramble to turn its stores into a series of specialty departments in 1990.

Chairman Edward Brennan asked shareholders once again to be patient and await the long-promised turnaround, which he said will occur in 1992 and beyond.

Early this year, Sears put into effect a plan to cut by yearend 33,000 jobs, or 10% of the staff from its merchandise group and catalog operation. Mr. Brennan also said Sears is cutting $70 million in internal advertising costs, though media spending levels will remain unaffected.

Corporate heads have rolled, too, with the resignation in February of merchandise group President-Chief Operating Officer Michael Bozic, who was replaced by Alfred Goldstein, specialty merchandising manager.

In January, Sears closed its much-ballyhooed 47-store McKid children's apparel chain launched in 1988, citing unsatisfactory results. Its McKids private-label apparel will continue to be marketed in its department stores and its catalog.

Attention has also been refocused on Sears' unprofitable $4 billion catalog division. Robert M. Abramson was named senior VP-marketing and strategic planning for the catalog and the first-ever national ad campaign for the catalog was launched in February, stressing Sears' long heritage and reliability.

Measurable progress was made in transforming Sears' department stores into specialty stores as the company announced it had opened Tire & Auto Centers in all 850 of its stores. It was Sears' second completed rollout after Brand Central, the appliance and electronics format Sears launched in its stores in 1988.

This year Sears doubled its Homelife furniture formats to 70 and added 12 home-office equipment departments, called Office Center at Sears.

Sears returned to a platform of guaranteeing satisfaction and value from its flirtation with everyday low prices. In May, Mr. Brennan announced a new "Sears Best Buys" program in which certain items are featured at sale price each month, plus the "Five Star Value" program of selecting certain national brand-name items for periodic sales.

This July, Sears introduced the Kid-Vantage WearOut Warranty program, an industry first in which it promises to replace any children's apparel when it wears out, while the child still wears the same size. Sears also announced a frequent-buyer program for children's apparel, offering a 10% discount on every $50 purchase of children's apparel and 15% off purchases of $100 or more.

Spending for TV and print advertising for Sears' core household brands increased *22.7% in 1990 to $133 million*; other categories of ad spending for the Sears Merchandise Group held steady. The merchandise group continues its steady relationship with Ogilvy & Mather, which in mid-1991 won back the $5 million jewelry assignment that was awarded to the Bloom Agency for a year beginning in 1990.

Dean Witter Financial Services Group continues to be Sears' strongest unit as its stock brokerage, investment and credit card services thrive. Discover credit cards numbered 37.8 million in 1990, an increase of 15.4% over the previous year. Merchant outlets accepting the card grew 15.2% to 1.24 million.

In March, 5-year-old Discover launched its first new TV campaign in three years under the theme "It pays to Discover." This March, Dean Witter tried to launch the new Prime Option Visa credit card, but Visa International's challenge of the card in federal court has suspended issuance of the card indefinitely.

Results from Allstate Insurance Cos. and Coldwell Banker Real Estate Group weren't as strong in 1990 due to higher-than-average insurance claims for catastrophes and a downturn in the residential real estate market.

HEADQUARTERS

Sears, Roebuck & Co./Sears Tower/Chicago, Ill. 60684/Phone: (312) 875-2500.

PERSONNEL, BRANDS, AGENCIES

SEARS MERCHANDISE GROUP: Laurence E. Cudmore, pres-retail; Everett L. Buckardt, pres-catalog/dir mktg; Alfred G. Goldstein, pres-specialty merch; Allan B. Stewart, sr exec vp-retail store operations; Matthew A. Howard, sr vp-mktg, buying services; Warren E. Flick, vp-men's/children's apparel; Forrest R. Haselton, vp-automotive; William E. Patterson, vp-home improvements; Eric D. Saunders, vp-home fashions; Marvin M. Stern, vp-home appliances/electronics; Wayne G. Williams, vp-women's apparel; Ralph Hoch, natl genl merch mgr; Scott Harding, natl mgr-adv; Robert M. Abramson, sr vp-mktg/strategic planning, Sears Catalog/dir mktg.

Black consumer adv: Vince Cullers Advertising, Chicago. Jeffrey Cullers, mgmt super.

Hispanic adv: Mendoza, Dillon & Asociados, Newport Beach, Calif. Eduardo Del Rivero, exec vp-client svcs.

Sears Merchandise Group: Ogilvy & Mather, Chicago. Austin McGhie, sr vp-gm.

Sales Promotion: Ogilvy & Mather, Chicago. Dick Cooper, sr vp-dir.

Sears Business Centers: Barkley & Evergreen, Shawnee Mission, Kan. Mark Pfefferkorn, vp-mgmt super.

WESTERN AUTO SUPPLY CO.:

Barkley & Evergreen, Shawnee Mission, Kan. Bob Moore, group head-vp.

ALLSTATE INSURANCE GROUP: John J. Flieder, vp-prod adv; Terre Tuzzolino, asst vp-corp relations; Ken Zarzynski, adv dir; Cynthia Farrow-Miller, Ginny Clark, adv mgrs; Darryl Reynolds, sr mktg project mgr.

AGENCIES: Auto, Homeowners, Life; Allstate Motor Club: Leo Burnett USA, Chicago. [illegible] Sims, sr vp-acct dir.

DEAN WITTER FINANCIAL SERVICES GROUP: Richard F. Powers, exec vp-dir mktg; William Walsh, first vp-grp adv dir; William Hodges, sr vp-mktg officer, Discover Card; Arthur Barmash, dir-grp adv/mktg comms, Discover Card.

Dean Witter brokerage-dealer: Leo Burnett USA, Chicago. Bill Boris, exec vp-client svcs dir.

Discover Card: DDB Needham Worldwide, Chicago. *Ray Gillette, grp acct dir.*

COLDWELL BANKER REAL ESTATE GROUP: Kristine Sandrick, vp-corp comms; G. Lane Barnett, first vp-dir prod devel/mktg, Coldwell Banker Residential Grp; Sondra Byrnes, vp-primary mktg, Sears Mortgage Corp.

Coldwell Banker-residential: Grey Advertising, Los Angeles. Larry Varnes, exec vp-mgmt rep.

RANK: 55

SmithKline Beecham

London

Ad spending: **$191.4** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	3,001	4,032	(25.6)
Sunday magazine	96	348	(72.5)
Newspaper	96	230	(58.2)
Outdoor	[illegible]	3	NA
Network TV	73,153	68,519	6.8
Spot TV	5,166	4,914	5.1
Syndicated TV	14,149	18,782	(24.7)
Cable TV networks	4,746	3,489	36.0
Network radio	1,451	1,719	(15.6)
Spot radio	533	660	(19.2)
Measured media	102,392	102,696	(0.3)
Unmeasured	89,000	89,300	(0.3)
Total	191,392	191,996	(0.3)
By top brands	**1990**	**1989**	**% chg**
Aquafresh toothpaste	21,671	20,919	3.6
Tums antacid	13,048	10,563	23.5
Contac cold products	12,748	16,773	(24.0)
Massengil douche	9,352	10,305	(9.2)
Oxy medicated products	7,556	5,348	41.3
Geritol supplements	7,253	4,283	69.4
N'ice	6,472	4,064	59.3
Sucrets	6,438	6,014	7.1
Sominex sleeping aid	5,246	4,465	17.5

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	9,195	9,451	(2.7)
Earnings	1,635	251	551.5
U.S.	**1990**	**1989**	**% chg**
Sales	3,874	3,783	2.4
Trading income	896	641	39.8
Division sales	**1990**	**1989**	**% chg**
Pharmaceuticals	4,588	4,319	6.2
Consumer brands	2,590	2,378	8.9
Clinical labs	917	936	(2.1)
Animal health	593	596	(0.6)

CORPORATE PROFILE

Total ad spending at SmithKline Beecham remained flat in 1990 as the pharmaceutical giant continued to reduce debt following the 1989 merger of SmithKline Beckman and Beecham Group. More than $1.2 billion in assets have been sold since the merger.

Sales for SmithKline's leading brand, Aquafresh, rose 28% worldwide last year. The brand benefited from the company's largest media investment. Aquafresh is now moving beyond toothpaste, with a line of branded toothbrushes rolling nationally.

The Oxy line of acne medications gained 2 percentage points in the U.S. for a 26% market share.

Geritol brand tonic got the biggest percentage ad hike among the top brands, up 69.4% to $7.25 million.

The N'ice brand of sore-throat lozenges *added a line of vitamin C lozenges. Massengill* kept its position as the No. 1 feminine douche with a 52% share, said Julie Wolfe, analyst with Kline & Co. Media spending stayed steady at $10.9 million for douches and towelettes combined.

Tums sales rose 27.4%, giving it a 13%

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* ABC Fas-Fax Reports, 3 months ending March 31, 1991

St. Petersburg Times
Tampa Bay's Largest Newspaper

share and the No. 2 spot in the $877 million antacids and anti-gas aids category, she said.

This fall SmithKline is extending the Contac brand with Contac Severe Cold & Flu Hot Medicine, positioned against Sandoz Pharmaceuticals Corp.'s Thera-Flu. The Contac brand claims 8% of the cold medications market, Ms. Wolfe said.

About $4 million in TV spending will support the new product, while new Contac Day & Night Cold & Flu caplets will get $5.3 million in support this fall.

The company maintained strong sales for pharmaceuticals in the U.S., with total prescriptions for SmithKline products rising 7% while the market grew just 1%, according to company estimates.

A big hit needs to follow Tagamet, the ethical drug for treating peptic ulcers that generated $1.2 billion in worldwide sales in 1990, half of that from the U.S. Tagamet's active ingredient, cimetidine has been coming off patent. Tagamet sales dropped 6% worldwide in 1990. In the U.S., where Tagamet loses patent protection in 1994, its share dropped 4 percentage points to 26% in 1990 as competition heated up, particularly from Glaxo Holdings' Zantac. An OTC version of Tagamet is under development.

HEADQUARTERS

SmithKline Beecham/SB House/Great West Road, Brentford/Middlesex, TW8 9BD/England.
SmithKline Beecham/One Franklin Plaza/Philadelphia, Pa. 19101/Phone: (215) 751-4000.

PERSONNEL, BRANDS, AGENCIES

SMITHKLINE BEECHAM PHARMACEUTICAL: Fred Kyle, pres-commercial operations; Jean-Pierre Garnier, pres-N. Amer.; Angeris N. Karabelas, vp-mktg.

Experts-B, Tagamet: STN, Rutherford, N.J. Barbara Falco, Howard Laskau, vps-acct supers.

Eminase, Augmentin, Timentin: Frank J. Corbett Inc., Chicago. Patrick McTeague, vp.

Ansaid, Tasicat: Ted Thomas Associates, Philadelphia. Don Phillips, sr vp.

Amoxil, Compazine, Dactrobac: In-house.

SMITHKLINE BEECHAM CONSUMER BRANDS U.S.: Gordon J. McLaren, vp-dir, mktg; Douglas B. Cox, vp-dir, personal care; Paul J. Fraioli, vp-dir, healthcare; Maurice L. Kelley, vp-dir, mktg svcs; Warren C. Siddal, dir-media.

Contac, Geritol, Macrongill, Sucrets, Vivarin: Grey Advertising, New York. Matt DeSimone, vp-mgmt super, Aquafresh; Allison Bailey, vp-mgmt super, Contac/Massengill; Tony Thurston, vp-mgmt super, Geritol/Vivarin/Sucrets.

Lactric Shave, Nice, Seminex, Nature's Remedy: Ogilvy & Mather, New York. Neve Savage, sr vp-grp dir.

Ecotrin, Orafix, Oxy, Tums: Jordan, McGrath, Case & Taylor, New York. Ellen Fields, vp-mgmt super, Tums/Ecotrin; Kathryn Ryan, vp-mgmt super, Oxy/Orafix.

A-200: Carrafiello-Diehl & Associates, Irvington, N.Y. Jerry Carrafiello, acct exec.

Feosol: Gross Townsend Frank Hoffman, New York. Andrea Seiden, acct exec.

RANK: 26

Sony Corp.
Tokyo
Ad spending: **$410.5** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	53,244	51,481	3.4
Sunday magazine	26,330	20,952	25.7
Newspaper	36,103	30,273	19.3
Outdoor	340	169	101.2
Network TV	63,080	51,901	21.5
Spot TV	42,942	40,599	5.8
Syndicated TV	11,522	4,487	156.8
Cable TV networks	9,686	5,757	68.3
Network radio	1,041	615	69.3
Spot radio	1,684	8,498	(80.2)

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Measured media	245,971	214,732	14.5
Unmeasured	164,500	143,600	14.6
Total	410,471	358,332	14.6
By top brands	**1990**	**1989**	**% chg**
Tri-Star pictures	66,083	40,544	63.0
Columbia Pictures movies	60,185	73,723	(18.4)
Columbia record & tape clubs	40,525	23,810	70.2
Sony video equipment	24,647	20,179	22.1
Columbia Hse. video supplies & equipment	14,650	21,450	(31.7)
Sony audio equipment	9,651	3,309	191.6
Columbia videogame club	7,423	0	NA
Columbia Hse. video clubs	7,319	15,637	(53.2)
Sony recording tapes	7,005	746	839.4

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	25,649	18,343	39.8
Earnings	829	655	26.6
U.S.	**1990**	**1989**	**% chg**
Sales	7,475	5,466	36.7
Operating income	NA	NA	NA
Division sales	**1990**	**1989**	**% chg**
Video equipment	6,443	4,732	36.1
Audio equipment	6,254	4,604	35.8
Televisions	3,918	2,843	37.8
Other products	3,847	2,678	43.6
Records	3,362	2,898	16.0
Movies	1,827	587	211.2

CORPORATE PROFILE

Sony Corp. sees its new ownership of movie and recording interests as guaranteeing software for its future electronics innovations, and its broader base of operations as an opportunity for "interactive" marketing.

Sony, for example, signed Michael Jackson to a reported $100 million deal that will place him in films, recordings and perhaps games for Sony units. It is looking at building a Sonyland amusement park. A third move comes this winter when Sony's various units combine for the first time to promote products for the Steven Spielberg movie "Hook."

Sony has gone through some significant changes in the last year. Columbia House became a joint venture with Time Warner. Columbia House's $70 million ad spending figures are credited by AA solely to Sony's estimated ad total for 1990.

Sony this August also bought out General Electric Co.'s half interest in its home video venture and renamed the unit Columbia Tri-Star Home Video.

Sony Software became its media unit, including Sony Music Entertainment (formerly CBS Records), Sony Pictures Entertainment (formerly Columbia Pictures Entertainment) and Sony Electronic Publishing (a new unit that will produce games and software). Sony Electronics Group incorporates its hardware businesses.

At Sony Pictures Entertainment, Jon Peters quit in May as co-chairman to return to production for Sony's Columbia Pictures. Separately, Sony split marketing functions for its two major picture units—Columbia Pictures and Tri-Star Pictures.

Sony's big films in the last year included Tri-Star's "Terminator 2: Judgment Day" and Columbia's "City Slickers." Tri-Star's share of film rentals rose to 8% in 1990 from 7%; Columbia's dropped to 5% from 8%.

Through July of this year, Tri-Star ranked sixth in box office shares at 9.6% and Columbia, seventh at 8.8%.

Sony Corp. of America's Consumer Products Group brought out few major new products in the last year, though it expanded its Digital Audio Tape line and introduced a digital remote control that allows its components to talk to each other. In a significant pricing move and a response to competitive pressures, Sony lowered the premium for its Trinitron line.

Instead, Sony devoted more attention and ad spending to the U.S., raising spending as much as 50% for a variety of its mainline products, including camcorders and TVs.

Sony's Trinitron brand held a 6.85% share of U.S. TV sales (up from 6.5%) last year, placing it fourth, according to *Television Digest*. Sony is No. 1 in camcorder sales with an 18% share (up from 15% in 1989). Sony is No. 13 in VCR sales with 3.75% share, up from 2.3%.

Sony's future may hinge on the success of two new products. Late this year Sony will launch its Data Discman, which offers the advantages of computer storage and retrieval in a book-size device. Late next year Sony will launch its Mini Disc system that both plays and records digitally on small compact discs.

That launch will put Sony in a major battle with NV Philips' Philips Consumer Electronics division, which is unveiling competing digital compact cassette technology that plays current audio cassettes but records in a new digital format.

Sony moved advertising for its consumer products division to Leo Burnett USA and indicated it would be stepping up event-oriented promotional activity. Burnett advertising will carry a "Be Sony" theme.

HEADQUARTERS

Sony Corp./ 7-35 Kitashinagawa 6-chome/Shinagawa-ku, Tokyo, 141/Japan.
Sony USA Corp./9 W. 57th St./New York, N.Y. 10019/Phone: (212) 371-5800.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Robert Zito, vp-comms; Koh Shimizu, dir-comms.

SONY CORP. OF AMERICA (U.S. Electronics Grp.): Jeffrey Brooks, sr vp-corp adv/mktg svcs. Sony Consumer Prods.: Larry Barruch, vp-consumer adv; Richard Johnson, dir-consumer adv; Lisa Diliberto, adv mgr-TV prods; Ron Greitzer, adv mgr-video prods; John Heenan, natl adv mgr-audio prods; Janice Breithaupt, adv mgr-personal audio prods. Business & Professional Grp.: Scott Westover, dir-adv. Components & Computer Prods. Grp.: Carol Byrum, mgr-mktg comms.

Sony Trinitron, Sony Walkman, Sony Discman, Sony Data Discman, Handycam, ES: Leo Burnett USA, Chicago. Brian Williams, Melinda Sherman, acct dir.

Sony Business & Professional products: Geer, DuBois, New York. Catherine Basile, acct super.

Sony Components & Computer products: Winkler McManus, San Francisco. Jeff Kahn, acct exec.

Sony Corp. of America-media: Geer, DuBois, New York. Catherine Basile, acct super.

SONY RECORDING MEDIA OF AMERICA (U.S. Electronics Grp.): Bob Basso, vp-adv.

Sony Consumer Tape, Professional Media, Optical Media: Burkhardt & Christy, New York. Joel Fineman, sr vp-acct dir.

SONY PICTURES ENTERTAINMENT (Sony Software Corp.): Tri-Star Pictures: Buffy Shutt, pres-mktg; Kathy Jones, exec vp-mktg; Bill Loper, sr vp-adv. Columbia Pictures: Paula Silver, pres-mktg. Columbia Tri-Star Home Video: Bill Ferrault, vp-domestic mktg; Christine Alverez, dir-adv; Cynthia Basciani, exec vp-mktg, worldwide. Loew's Theaters Management Corp.: Susan Fraine, vp-adv/publicity.

Tri-Star Pictures, Columbia Pictures: McCann-Erickson Worldwide, Los Angeles. Jim Surmanek, sr vp-mgmt super/exec media dir.

Columbia Tri-Star Home Video: Media buying: Saatchi & Saatchi DFS/Pacific, Los Angeles. Diane Danvers, sr vp-mgmt super.

Loew's Theaters: Allied Advertising Agency, Boston/New York/Syracuse/Cincinnati. AM Entertainment, New York. Sherman Wolf Advertising, Chicago.

SONY MUSIC ENTERTAINMENT (Sony Software Corp.): Tom McGuinness, sr vp-mktg, Sony Music distribution; Yvonne Erickson, dir-media adv; Arnold Levine, sr vp-creative svcs; Carol Lee Shepard, vp-adv/design. Columbia Records: Jay Krugman, vp-mktg, East coast; Bob Wilcox, vp-mktg, West coast. Epic Records: Larry Stessel, sr vp-mktg; Dan Beck vp-mktg. Sony Classical: Laraine Perri, vp-prod mktg.

Columbia Records, Epic Records, Sony Classical: In-house.

SONY ELECTRONIC PUBLISHING (Sony Software Corp.): Peter Dille, dir-comms.

Sony Imagesoft and Sony Electronic Publishing: CN Communications, Rahway, N.J.; Brad Manier, vp-creative director.

COLUMBIA HOUSE (Sony Software Corp. and Time-Warner Corp.): Sharon Kuroki, sr vp-mktg, music clubs; Richard Capassela, vp-adv, video club; Brian Wood, sr vp-Columbia House video; Harry E[illegible]s, vp-Columbia House video library; Linda Andersen, vp-music club adv.

Columbia House, Columbia House Video Club, Columbia House Video Library, Columbia House Music Club, Columbia House Music Collection: Wunderman Worldwide, New York. Peter Rabar, mg super-grp dir.

RANK: 47

Tandy Corp.
Fort Worth, Texas
Ad spending: **$232.7** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	13,096	11,180	17.1
Sunday magazine	117	141	(17.2)
Newspaper	40,541	37,633	7.7
Outdoor	16	18	(12.1)
Network TV	21,914	25,065	(12.6)
Spot TV	2,386	3,341	(28.6)
Syndicated TV	1,325	1,563	(15.2)
Cable TV networks	722	1,265	(42.9)
Network radio	5,761	5,632	2.3
Spot radio	299	480	(37.7)
Measured media	86,177	86,319	(0.2)
Unmeasured	146,500	146,800	(0.2)
Total	232,677	233,119	(0.2)
By top brands	**1990**	**1989**	**% chg**
Radio Shack electronics stores	51,743	51,829	(0.2)
Tandy computers	18,729	16,701	12.1
McDuff appliance stores	8,977	7,038	27.6

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	4,562	4,500	1.4
Earnings	195	290	(32.7)

CORPORATE PROFILE

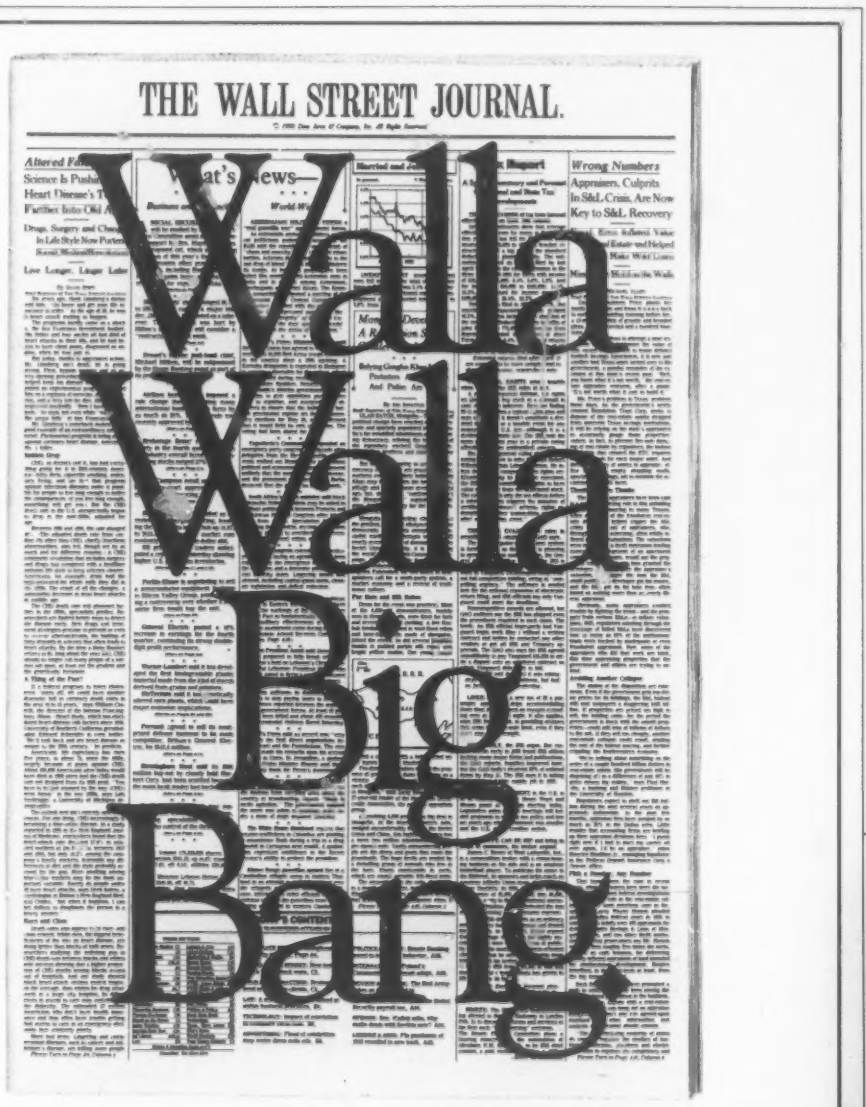
Tandy Corp., faced with sluggish sales from its flagship Radio Shack chain, is adding name brands, upgrading its house brands and expanding into new retailing concepts.

Radio Shack, which saw same-store sales drop 2% for the fiscal year ended June 30, for the first time will sell non-Tandy-made products in its stores beginning this holiday season.

Last month, it began selling big-ticket name-brand audio and video equipment in 140 small-town stores.

Tandy is expanding outside its Radio Shack base, which accounts for about 70% of total revenues. The company in the fourth quarter of calendar 1991 will open six Computer City discount superstores, which will sell Tandy and other brands of personal computers. By 1995, Tandy expects to have 100 of the discount stores in operation and generating sales of $1 billion.

Major expansion is also under way for the nine-store Edge in Electronics chain,



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which carries Tandy and other name-brand personal electronic products, and the 400-unit chain of McDuff and Video-Concepts stores, that sells big-ticket electronics and appliances made by Tandy and others.

Tandy/Radio Shack, which has long suffered an image of being a purveyor of cheap electronics and gadgets for hobbyists, is also upgrading its house brands. It continues to expand its top-of-the-line Optimus brand for audio components.

Tandy's Memtek Products unit is capitalizing on its Memorex brand name and expanding it beyond audio and videotapes. Tandy will go head-to-head against Sony Corp. of America and Panasonic Co. as it introduces in the fourth quarter of 1991 a line of Memorex-brand TVs, stereos and VCRs in Tandy Corp. and other stores.

The company has high hopes for digital recording technology. It plans to introduce a digital compact cassette player in the first half of calendar 1992. It also continues to work on the development of an erasable/recordable compact disc.

In computers, Tandy has already established a leadership position in multimedia technology that combines text, graphics, sound and animation on a PC. It's GRiD Systems Corp. unit will also continue to push its dominant position in pen-based computer products, which can read handwriting.

Tandy in 1991 abandoned its 200 Radio Shack Computer Center retail stores, which sold to small-to-midsize businesses. Most of its small-business sales come from its outbound sales force anyway.

Last year, Tandy hired Lowell Duncan as its first corporate VP of marketing, and it's searching for a new advertising director. However, Tandy has no plans to move its ad business out of house.

HEADQUARTERS

Tandy Corp.-Radio Shack/1800 One Tandy Center/Fort Worth, Texas 76102/Phone: (817) 390-3700.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Lowell C. Duncan, vp-mktg, Tandy Corp.; Howard Elias, vp-computers, Tandy Corp.; David Beckerman, sr vp-mktg svcs, Radio Shack; James Nichols, sr vp-consumer retail operations, Radio Shack; Robert Miller, vp-consumer merch, Radio Shack; John Patterson, sr vp-Tandy Computers/Tandy Electronics; Bruce Walters, pres-GRiD Systems Corp.; David Beckerman, sr vp-Radio Shack Adv. Dept.; Nan Neureither, media dir-Radio Shack Adv. Dept.; Ed Luedtke, adv/media/bus mgr-Tandy Name Brand Retail Grp. Adv. Dept.; Daniel O'Sullivan, pres-O'Sullivan Industries.

Tandy Corp.-Radio Shack: In-house.

GRiD Systems Corp.: Austin Advertising, San Jose, Calif. Mike Austin, pres.

Tandy Name Brand Retail Group: In-house.

Memtek Products: Richards Group, Dallas. Rod Underhill, principal.

RANK: 85

Thompson Medical Co.

New York

Ad spending: **$133.4** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	11,439	8,074	41.7
Sunday magazine	6,552	2,761	137.3
Newspaper	592	1,218	(51.4)
Outdoor	18	36	(48.5)
Network TV	75,530	43,980	71.7
Spot TV	2,323	1,371	69.5
Syndicated TV	9,901	5,937	66.8
Cable TV networks	3,764	6,219	(39.5)
Network radio	0	427	NA
Measured media	110,120	70,023	57.3
Unmeasured	23,300	14,800	57.4
Total	133,420	84,823	57.3

U.S. AD SPENDING ($ in thousands)

By top brands	1990	1989	% chg
Ultra Slim-Fast	81,183	24,810	227.2
Dexatrim diet aids	14,987	20,931	(28.4)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	NA	NA	NA
Earnings	NA	NA	NA

CORPORATE PROFILE

One thing isn't wasting away in the weight-loss market: ad budgets. In 1990, media spending among players in the U.S. reducing aids category leaped 52.3% to $109.59 million, with products from privately held Thompson Medical Co. accounting for 89.3% of the total.

Slim-Fast and Ultra Slim-Fast products alone upped their media ante a collective 142.4% to $82.7 million in 1990.

Ultra has quickly come to dominate plain Slim-Fast. Ultra Slim-Fast is the "new and improved" version that's thicker, with more fiber, vitamins and minerals. It's the version spawning the line extensions and the reason the product is now thought of as a meal replacement rather than an appetite suppressant.

Until December 1990, Slim-Fast and Ultra Slim-Fast products were a division of privately held Thompson Medical. But they experienced such growth and attendant marketing support, with the lines accounting for 48.9% of Thompson's media spending in 1989 and 75.3% in 1990, that Chairman S. Daniel Abraham spun them into an independent though tightly held entity, Slim-Fast Food Co., in early 1991.

Slim-Fast Food's breakaway is going strong in 1991. Ultra Slim-Fast leads the meal replacement category with an estimated 80% of the market. Making Slim-Fast autonomous allowed Thompson to focus on other OTC product lines, its mainstay until a few years ago.

Dexatrim attracted $14.98 million in media in 1990, down 28.4%. It competes head-to-head with Ciba-Geigy Corp.'s Acutrim appetite suppressant.

The company's goal in 1991, says Debra Wolpov, manager-advertising, is to become "a nutrition company, not a diet company." In keeping with that, two new product lines were introduced in April: Ultra Slim-Fast Frozen Delight non-dairy desserts and Ultra Slim-Fast frozen entrees.

In 1990, the unit introduced Ultra Slim-Fast pudding mix and Ultra Slim-Fast Lite 'N Tasty popcorn and cheese curls.

HEADQUARTERS

Thompson Medical Co./222 Lakeview Ave., 17th Floor/West Palm Beach, Fla. 33401-6112/Phone: (407) 820-9300.

PERSONNEL, BRANDS, AGENCIES

THOMPSON MEDICAL CO.: Greg Shaban, sr vp-sales; Alison Mann, brand mgr-Dexatrim/Cortizone-5/Sleepinal; Jennifer Jackson, brand mgr-Tempo/new prods; Richard Schecter, brand mgr-Aspercreme/Sportscreme/Arthritis Hot.

Aspercreme-print media: Grey Advertising, New York. Edee Wollin, vp-mgmt super.

Dexatrim: Saatchi & Saatchi Advertising, New York. Linda Honan, sr vp-mgmt super.

Encore, HP27, Cortizone-5, Sportscreme, Sleepinal, Aspe-Gesic, Tempo, Arthritis Hot: Laurence, Charles, Free & Lawson, New York. Robin Coval, exec vp.

SLIM-FAST FOOD CO.: Beth Brenner, pres-sweet goods div/mktg-new Frozen Delights; Irwin Simon, pres-nutritional div; Ronald Stern, pres-grocery div/mktg-new frozen entrees; Greg Schmitz, mktg dir-powder div; Vincent Rumore, vp-snacks div; James Ortiz, mktg dir-beverage div; Tammy Simon, vp-adv; Debra Wolpov, mgr-mktg.

Slim-Fast, Ultra Slim-Fast, Ultra Slim-Fast water-mixable/Ultra Slim-Fast Hot Cocoa meal replacement shakes, Ultra Slim-Fast Nutrition bars, Ultra Slim-Fast Crunch bars, Ultra Slim-Fast Pudding, Ultra Slim-Fast Lite 'N Tasty snacks, Ultra Slim-Fast Frozen Entrees: Grey Advertising, New York. Jeff Stein, exec vp.

RANK: 10

Time Warner

New York

Ad spending: **$676.9** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	67,607	60,099	12.5
Sunday magazine	4,161	3,468	20.0
Newspaper	46,161	43,077	7.2
Outdoor	445	958	(53.5)
Network TV	72,000	47,631	51.2
Spot TV	81,751	90,163	(9.3)
Syndicated TV	27,558	13,277	107.6
Cable TV networks	50,662	37,538	35.0
Network radio	3,129	2,574	21.6
Spot radio	5,247	9,585	(45.3)
Measured media	358,720	308,372	16.3
Unmeasured	318,200	273,600	16.3
Total	676,920	581,972	16.3
By top brands	**1990**	**1989**	**% chg**
Warner Bros. pictures	110,063	95,168	15.7
HBO cable TV network	54,432	38,910	39.9
Time-Life books	45,863	32,680	40.3
Sports Illustrated magazine	26,550	21,499	23.5
Time-Life video	19,505	13,633	43.1
Time-Life records & tapes	14,229	18,383	(22.6)
Warner home video cassettes	9,717	9,746	(0.3)
Time magazine	9,345	676	1,282.8
People magazine	9,109	12,547	(27.4)
Sports Illustrated video	7,195	1,345	435.1

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	11,517	10,779	6.8
Earnings	(227)	(432)	NA
U.S.	**1990**	**1989**	**% chg**
Sales	8,550	6,361	34.4
Operating income	1,035	774	33.7
Division sales	**1990**	**1989**	**% chg**
Publishing	2,926	3,003	(2.6)
Filmed entertainment	2,904	2,760	5.2
Music	2,931	2,545	15.2
Cable TV	1,751	1,543	13.5
Programming-HBO	1,266	1,177	7.6

CORPORATE PROFILE

More than two years after the merger of Time Inc. and Warner Communications, pundits are starting to question whether one plus one equals two after all.

Time Warner's search for strategic partners in overseas markets has been fruitless, and there's little evidence of the much-touted synergies. In July 1991, the company was pressured by shareholders to abandon a controversial rights offering in favor of a more traditional plan.

The failed rights offering turned a harsh spotlight on Time Warner and raised questions about its ability to pay down a crushing $8.9 billion in debt.

The synergies that spurred the creation of Time Warner have been most evident in the magazine publishing area, where Time Inc. Magazine Co. has been aggressively packaging its parent's diverse media resources to sell cross-media programs to marketers like Chrysler Corp., General Motors Corp. and more recently Mazda Motor of America.

The magazine group announced a restructuring of its sales force in June to strengthen its corporate ad sales efforts, putting in place four regional sales executives to whom all sales reps for individual titles now report.

Time Inc. Magazine Co. remained aggressive overall, despite a recession that has severely cut into ad pages at many of its titles. *Time*, *People* and *Sports Illustrated* watched pages fall 20.5%, 13.8% and 16.3%, respectively, the first seven months ended July 1991 compared with the year-earlier period.

The company continued to pour money into *Entertainment Weekly*, which appears to be gaining momentum, and gave a green light to the rollout of *Martha Stewart Living* and related media properties. A weekly version of monthly *Life* was published during the Persian Gulf War.

Sports Illustrated remained the biggest spender of the magazines, shelling out $26.6 million to woo subscribers, up 23.5% from 1989. Virtually all the money was split between cable and spot TV. *People* cut consumer spending 27.4% to $9.1 million.

After a blockbuster 1989 in which it led all studios, Warner Bros. dropped to a fifth-place ranking with a 13% share of the North American film market. It has rebounded somewhat this year on the strength of "Goodfellas," released in fall 1990, and "Robin Hood," the summer's second-biggest box-office hit.

"Presumed Innocent" received the most media support at $9.9 million. The studio also spent heavily to promote "Driving Miss Daisy" ($9.5 million) and "Gremlins 2" ($9.3 million).

Media spending by Time-Life Books rose a whopping 40.3% to $45.9 million, while spending on Book-of-the-Month Clubs dropped 18% to $5.8 million.

HEADQUARTERS

Time Warner/75 Rockefeller Plaza/New York, N.Y. 10019/Phone: (212) 484-8000.

PERSONNEL, BRANDS, AGENCIES

TIME INC. MAGAZINE CO.: Donald M. Elliman, Jr., pres-sales/mktg div; S. Christopher Meigher, pres-New York magazine div; Robert L. Miller, pres-ceo, Time Publishing Ventures; Donald J. Barr, exec vp, *Entertainment Weekly*: Michael J. Klingensmith, publisher; Michael J. Kelly, adv sales dir; Scott L. Kauffman, dir-mktg devel/promo; John Squires, consumer mktg dir; Dan Osheyak, promo dir. *Fortune*: James B. Hayes, publisher; C. Stuart Arnold, adv sales dir; Michael J. Dukmejian, mktg dir; Brian D. Wolfe, consumer mktg dir; David L. Nimz, promo dir. *Life*: Katherine M. Bonniwell, publisher; William P. Kupper Jr., adv sales dir; Mark L. Hintsa, mktg dir; Jeffrey A. Ente, consumer mktg dir; Ripley Odell, promo dir. *Money*: William S. Myers, publisher; Betsy Martin, adv sales dir; Linda McCutcheon Connelly, mktg dir; Michele M. Jaworski, consumer mktg dir; Michael Rich, promo dir. *People*: Ann S. Moore, publisher; Jim Donoghue, adv sales dir; Fred Poust, mktg dir; Jeremy Koch, consumer mktg dir; Hope Hening, promo dir. *Sports Illustrated*: Mark Mulvoy, publisher; Alvaro Saralegui, adv sales dir; Linda Warren, consumer mktg dir. *Sports Illustrated for Kids*: Susan Sachs, publisher; Kathy-Lee Wilcox, sales devel dir; Susan

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Alexander, mktg dir; Katharine P. Salovaara Brower, consumer mktg dir; Pamela T. Dey, promo mgr. *Time*: Lisa Valk, publisher; Cleary Simpson, adv sales dir; Mark Stanich, assoc mktg dir; David Gitow, consumer mktg dir; Kelly Knauer, promo dir.

Entertainment Weekly adv promo: Deutsch Direct, New York. Marjorie Spitz, acct exec; Mark Schneider, creative dir.

Fortune adv promo, Sports Illustrated adv promo, Sports Illustrated for Kids adv promo: Ogilvy & Mather, New York. David Warden, exec grp dir.

Life adv promo: Messner Vetere Berger Carey Schmetter, New York. Tom Messner, Ron Berger, partners.

Money adv promo: Mullen Advertising, Wenham, Mass. Bruce Gold, acct super.

People adv promo: Young & Rubicam, New York. Arlene Brickner, sr vp-grp dir.

People consumer mktg: Holland & Callaway Advertising, New York. Ron Holland, chmn.

Sports Illustrated consumer mktg: Wunderman Worldwide, New York. Phil Cheevers, sr vp-mgmt super. A. Eicoff & Co., Chicago. Francie Barson, sr vp-media dir.

Time adv promo: Fallon McElligott, Minneapolis. Robert Van Horn, acct. super.

Consumer mktg promo: Entertainment Weekly, Fortune, Life, Money, People, Sports Illustrated for Kids: In-house. Catherine Heim, creative dir-consumer mktg div, *Fortune, Money, Life, People*; Anil Singh, creative dir-consumer mktg div, *Sports Illustrated for Kids, Time, Entertainment Weekly*.

HARRIET PUBLISHING CORP.: David B. Woodward, vp-mktg dir; James W. Baker, vp-adv sales dir, *Sunset*.

Sunset adv promo: Saatchi & Saatchi Advertising, San Francisco. David Hill, pres-corp comms mgr.

SOUTHERN PROGRESS CORP.: James E. DeVira, exec vp-grp publ; Hallet Johnson III, vp-circ dir; Paul Shebs, circ mktg dir. *Cooking Light*: Jeffrey C. Ward, publisher; Rick Emerson, promo mgr. *Progressive Farmer*: Ed Dickinson, publisher; W.L. Stradley, mktg svcs dir; Patti Henderson, sales promo mgr. *Southern Accents*: Anthony P. Glaves, publisher; Eleanor Griffin, creative svcs dir; Allen Vaughan, circ dir. *Southern Living*: Scott Sheppard, assoc publisher; Greg Keyes, adv dir; Eleanor Griffin, creative svcs dir; Pat Van der Meer, circ dir.

FILMED ENTERTAINMENT, WARNER BROS.: Robert G. Friedman, pres-worldwide theatrical adv/pub.

Warner Bros. films: Grey Advertising, New York. Alec Gerster, exec vp-media.

PROGRAMMING & CABLE, TIME WARNER CABLE GRP.: Tim Evard, vp-mktg, American Television and Comms. Corp.; Kevin Leddy, sr vp-mktg, Warner Cable Comms.

ATC Corp.: In-house. James Duffy, dir-pr.

HOME BOX OFFICE: John K. Billock, exec vp-mktg.

HBO: BBDO Worldwide, New York. Ken Angel, sr vp-mgmt rep.

Cinemax: Direct marketing. Kobs & Draft Advertising, New York. Howard Draft, pres.

RANK: 17

Toyota Motor Corp.

Toyota City, Japan
Ad spending: **$580.7** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	77,924	53,208	46.5
Sunday magazine	2,148	712	201.6
Newspaper	12,536	6,460	94.1
Outdoor	1,275	572	123.0
Network TV	170,903	110,847	54.2
Spot TV	117,589	91,032	29.2
Syndicated TV	16,258	8,616	88.7
Cable TV networks	5,804	3,504	65.6
Network radio	1,013	2,196	(53.8)
Spot radio	1,087	15,200	(92.9)
Measured media	406,538	292,347	39.1
Unmeasured	174,200	125,300	39.0
Total	580,738	417,647	39.0
By top brands	**1990**	**1989**	**% chg**
Toyota cars	212,671	167,613	26.9
Lexus cars	97,886	46,025	112.7
Toyota trucks & vans	89,798	64,344	39.6

SALES & EARNINGS ($ in millions)

Worldwide	1991	1990	% chg
Sales	71,400	60,084	18.8
Earnings	3,100	2,884	7.5

CORPORATE PROFILE

Toyota Motor Sales USA had a second million-plus sales year backed by advertising budget 39% higher than t[illegible] previous record high in 1989.

Toyota says it can meet its pre-Persian Gulf War goal of selling 1 million Toyota cars and trucks and 60,000 Lexus cars in 1991.

Toyota sold 994,471 cars and trucks in calendar 1990, plus 63,534 units from its Lexus luxury car division, giving it a total of 1,058,005 units or a 7.2% share of the total U.S. car/truck market, up 1.2 share points.

The popular Camry was the most heavily promoted, with $49 million in media spending, the same as in 1989. Pickup trucks drew $44 million, up 30%.

Media spending for the two Lexus models totaled $97.8 million, up 112.7%. The top-of-the-line LS 400 model got the bulk of spending, $52 million, up 79%.

Lexus in June added the new SC 400 luxury sports coupe, base-priced at $37,500. The launch included 24-page ad inserts in eight publications.

Lexus this fall introduces the ES 300, replacing the ES 250, which made its debut in 1989.

The restyled 1991 Tercel, base-priced at $6,488 for the two-door model, will be featured in several spots on Major League Baseball's World Series.

The Toyota Paseo, an entry-level sporty coupe priced in the $10,000 to $11,000 range, was introduced in mid-1991. TV spots that broke on NBC basketball were flippant and "wise-guy" in approach, a departure from the spots featuring jumping car owners.

Toyota shelved indefinitely its entry into the full-size pickup truck market, the domain of Ford Motor Co. and General Motors Corp.

HEADQUARTERS

Toyota Motor Sales USA/19001 S. Western Ave./Torrance, Calif. 90509/Phone: (213) 618-4000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Toyota: George Borst, vp-strategic prod planning; Renald T. Rooney, corp mktg mgr; Gerald R. Perry, natl adv mgr; David Pelliccioni, natl merch mgr; Don Cecconi, natl truck adv mgr; Leo Parente, dealer assn adv mgr. Lexus: Donald V. Esmond, corp sales mgr; Robert Neuman, natl mktg mgr; Richard Anderman, natl adv mgr.

Toyota autos & trucks: Saatchi & Saatchi DFS/Pacific, Torrance, Calif. Warren Benjamin, mgmt dir.

Lexus autos: Team One (Saatchi & Saatchi), El Segundo, Calif. Scott Gilbert, exec vp-mgmt dir.

Hispanic adv-Toyota/Lexus: Conill Advertising, Los Angeles. Fabiola Hernandez, vp-client svcs dir.

RANK: 93

UAL Corp.

Elk Grove Village, Ill.
Ad spending: **$123.5** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	8,613	11,100	(22.4)
Sunday magazine	120	212	(43.4)
Newspaper	18,659	11,604	60.8
Outdoor	5	830	(99.4)
Network TV	40,361	40,566	(0.5)
Spot TV	8,217	9,859	(16.7)
Syndicated TV	148	68	117.3
Cable TV networks	1,649	2,467	(33.2)
Network radio	985	1,631	(39.6)
Spot radio	5,090	8,105	(37.2)
Measured media	83,847	86,441	(3.0)
Unmeasured	39,700	40,900	(2.9)
Total	123,547	127,341	(3.0)
By top brands	**1990**	**1989**	**% chg**
United Airlines	83,760	82,924	1.0

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	11,038	9,794	12.7
Earnings	95	324	(70.8)
Division sales	**1990**	**1989**	**% chg**
Passenger	9,634	8,536	12.9
Cargo	593	521	13.7
Other	811	736	10.1

CORPORATE PROFILE

Buffeted by a soft economy, higher fuel costs and competitors' price cutting, UAL Corp. has seen profits disappear. But by other key measures—amount of service, share and long-term direction—the airline has emerged considerably better.

For the first time in four years, UAL officials' main concerns are marketing and route decisions, not selling the company.

Problems in the junk bond market and settlement of a pilot contract helped end drawn-out sale discussions. But also quieting the drive to sell was the airline's success at expanding service in Asia and also in Europe, where it bought some Pan Am routes last year.

As of August, a third of United's capacity was in international service. The Gulf war and the recession helped lower United's passenger-load factor, which measures the percentage of passenger seats in use, to 64.3% for the first half of 1991 compared with 65.5% a year earlier. In July, with Middle East tensions easing, the company reported a load of 72.7%, up from 71% a year ago.

United's share of domestic-revenue passenger miles through July rose to 18.3% (from 16.6% last year), enough to tie it for the top spot with American Airlines. Delta had 15.2% and will get some share growth from its acquisition of Pan Am (5% share), but so will United, which picked up Pan Am's European routes.

United has positioned itself as the business traveler's carrier, with an extensive Mileage Plus frequent-flier program aimed at wooing business travelers who pay higher fares.

United, like most other carriers, pulled back sharply on advertising during the war and, as a result, will spend less in 1991 than in 1990. However, the addition of services and a new European campaign are expected to sharply stimulate spending next year. Much of the ad focus this year has been new service, but is expected to become less image-oriented under new VP-Marketing Adam Aaron, a former Hyatt executive.

HEADQUARTERS

UAL Corp./1200 Algonquin Rd./Elk Grove Village, Ill. 60007/Phone: (708) 952-4000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: John C. Pope, vice chmn; Adam Aaron, sr vp-mktg; John E. Ruhaak, vp-adv/promo; William Alenson, sr staff exec—intl adv; Karen Sheriff, staff exec-domestic adv; Patricia Engels, pres—Mileage Plus Inc.; Tom Lagow, sr vp-planning.

United Airlines: Leo Burnett USA, Chicago. James Thompson, sr vp-acct dir.

RANK: 19

Unilever NV

London/Rotterdam
Ad spending: **$568.9** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	70,836	72,964	(2.9)
Sunday magazine	2,290	1,077	112.5
Newspaper	1,101	1,989	(44.6)
Outdoor	716	37	1,846.5
Network TV	162,862	190,394	NA
Spot TV	64,534	60,166	7.3
Syndicated TV	42,155	38,943	8.2
Cable TV networks	6,740	7,444	(9.5)
Network radio	2,858	3,611	(20.8)
Spot radio	1,817	1,479	22.9
Measured media	355,909	378,103	(5.9)
Unmeasured	213,000	226,300	(5.9)
Total	568,909	604,403	(5.9)
By top brands	**1990**	**1989**	**% chg**
Ragu sauces	23,676	15,154	56.2
Wisk laundry detergents	17,625	20,115	(11.4)
Surf detergents	17,690	20,556	(13.9)
Close-up toothpaste	15,957	15,886	0.4
I Can't Believe It's Not Butter	15,114	18,841	(19.8)
Vaseline creams & lotions	14,991	25,259	(40.7)
Promise margarine	13,707	13,549	1.2
Shedds margarine	13,692	11,750	16.5
Lipton tea	12,391	4,735	161.7
Snuggle fabric softener	12,271	17,823	(31.2)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	39,620	33,444	18.5
Earnings	1,634	1,629	0.3
U.S.	**1990**	**1989**	**% chg**
Sales	8,680	8,114	7.0
Operating profit	498	526	(5.4)
Division sales	**1990**	**1989**	**% chg**
Margarine, edible fats	7,961	7,038	13.1
Frozen foods, ice cream	5,203	4,112	26.5
Food & drinks	6,346	5,499	15.4
Detergents	8,452	7,214	17.2
Personal products	4,725	3,636	30.0
Specialty chemicals	3,080	2,816	9.4
Agribusiness	1,420	1,091	30.2

CORPORATE PROFILE

Strong performances by Lever Bros. and Van den Bergh Foods couldn't counter the surprising downturn at Thomas J. Lipton Inc. as Unilever's U.S. operations dropped 5.4% in operating profit in 1990 compared with the previous year.

Executives from Lipton, generally one of Unilever's strongest operations, blamed a weak economy, increased competition and static markets for the first profit drop in 38 years.

Unilever responded to the lack of growth at Lipton by eliminating 900 jobs, half related to two U.S. factory closings. By the middle of 1991, the company reported the cost-cutting moves had begun to pay off.

Lipton will spend more money introducing new products now that it has a lower cost base, the company said. Twenty-five new products are being prepared for rollout this year.

Lipton in 1990 supported its teas, soups and side dishes with $21.8 million in ad spending, a 41.6% increase. Lipton is the leading tea marketer globally with about a 30% share, and holds 47% in the U.S., according to Kidder, Peabody & Co. analyst Jay H. Freedman.

The company focused its promotional efforts on decaffeinated tea, sun tea, specialty and convenience teas. Lipton side dishes and Wish-Bone salad dressings added several new varieties, including olive-oil dressings to the Wish-Bone line.

Unilever's Van den Bergh Foods, formed by bringing together brands from

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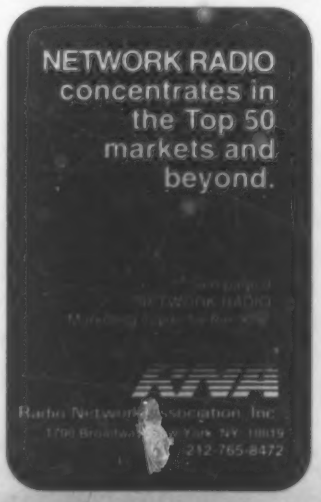

four separate companies, began expanding beyond margarines into cheeses. Van den Bergh's branded margarine business, including Promise and I Can't Believe It's Not Butter, has grown from a 9% share in 1981 to a leading 36% share of the $1.4 billion category last year, Mr. Freedman said.

Van den Bergh is expected to roll out soon a Promise low-fat, low-cholesterol cheese to compete in the $200 million "light" cheese market.

Ragu Foods is attempting to leverage its strong brand name by introducing Chicken Tonight simmer sauces, the company's first effort beyond spaghetti and pizza sauces. The company holds more than a 50% share of the $1 billion-plus spaghetti sauce market, and last year boosted spending for sauces to $23.6 million, up 56.2%.

Lever Bros. continued to hold its own in household cleaning aids. Following a fall introduction, the company expanded Wisk Power Scoop into more markets this year. Lever is high on the new product. Its own estimates show a 5- to 6-point jump in the company's share of powder detergents following the introduction of Power Scoop last fall.

Lever is promising to invest $55 million in marketing behind Power Scoop to compete in the fast-growing superconcentrate segment of the $3.8 billion detergent category. It also appears to be taking ad dollars from other brands. Spending dropped virtually across the board on Wisk, Surf, Sunlight and All.

Lever in 1990 held 24% of the total detergent market, with Wisk as its biggest brand, with an 8% share. Wisk trailed Procter & Gamble Co.'s Tide powder at 22.5% and Tide liquid at 9%. Surf also had an 8% share, with 5 percentage points for powder and 3 for liquid.

In other major categories, Lever is the No. 2 fabric softener marketer with a 25% share, 20% for Snuggle and 5% for Final Touch. The company spent $12.3 million to support Snuggle last year, down 31.2%.

Lever markets the leading bar soap, Dove, which holds 17.5% of the $1.5 billion category. The company's other brands, including Caress, Lux, Shield and new Lever 2000, bring its total share to more than 27%. The brands dropped a collective 11.7% in media spending to $26.5 million, which included sizable declines in Dove and Caress but a hefty $6.9 million push to introduce new soap, Lever 2000.

Chesebrough-Pond's USA unit added extensions in 1990 to its main brand lines: Close-Up anti-plaque toothpaste and rinse, Vaseline Intensive Care UV Daily Defense lotion, Vaseline Intensive Care sunless tanning lotion, Block Out moisturizing sunblock and Rave All In One haircare products.

No longer a major player in toothpastes, the company's biggest brand is Close-Up with a 7% share. Unilever also has had little impact on the shampoo market, although it markets several brands, and has made few inroads into the U.S. deodorant category despite its leading position worldwide.

In fragrances, Elizabeth Arden Inc. used Elizabeth Taylor this year in introductory advertising for the star's new White Diamonds, which joins Elizabeth Taylor's Passion, introduced in 1987. The company also is working on an Elizabeth Taylor color cosmetics line planned for a 1992 introduction, to be followed by a skincare line. Lagerfeld Photo for men made its debut last fall.

Unilever's Calvin Klein Cosmetics Co. also introduced a new scent this summer, Escape. Calvin Klein is the No. 2 fragrance marketer with about $140 million in U.S. sales, behind Estee Lauder Inc.'s $200 million.

Unilever's media spending for fragrances, including Passion, Calvin Klein's Eternity and Obsession and other Arden products was $36.6 million, down 5.9%.

This May, Lipton realigned its agency roster by assigning Wish-Bone and Lipton side dishes to Ogilvy & Mather from Young & Rubicam and Gold Bond ice creams to McCann-Erickson Worldwide from Grant/Jacoby.

HEADQUARTERS

Unilever NV/P.O. Box 760/3000 DK Rotterdam, The Netherlands.
Unilever PLC/Unilever House/P.O. Box 68/London EC4P 4BQ, U.K.
Unilever U.S./390 Park Ave./New York, N.Y. 10022/Phone: (212) 888-1260.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Joseph E. Campion, dir-media; John Lamson, assoc dir-media mgmt grp; Jean Marine Fish, Noreen Simmons, media mgrs; Irene Grieco, magazine super; Jeannine Heller, spot super; Daniel Riordan, assoc dir-network bdcast grp; Alberta Drumm, bdcast mgr.

LEVER BROS.: David F. Webb, pres; David B. Sharp, sr vp-mktg; Greg Creed, category mgr-bar soap; William J. Genter, category mgr-laundry detergents; Peter Ryan, category mgr-laundry additives; Marc Rovner, category mgr-hard surface cleaners; Keith D. DeVault, sr vp-sales; Robert Schmitz, mktg research dir; Elizabeth C. Crehan, dir-promo svcs; Frank E. Gonda Jr., dir-creative svcs.

All, Snuggle, Shield: Lintas:New York. Irene Little, mgmt super.

Dove, Surf, Final Touch: Ogilvy & Mather, New York. Neve Savage, sr vp-grp dir.

Sunlight, Caress: BBDO Worldwide, New York. Andrew Donchak, exec vp-sr acct dir.

Wisk, Lever 2000: J. Walter Thompson USA, New York. Bill Gross, sr vp-acct dir.

Professional programs, medical: Sudler & Hennessey, New York. Wayne Traub, sr vp.

VAN DEN BERGH FOODS: Consumer Prods. Grp: Natalie M. Danysh, vp-mktg; Rajan W. Nagarkar, category mgr; Lynn Johnson, dir-mktg research; Myrna F. Schreibman, sr promo devel mgr. Professional Mkts. Grp.: Thomas E. Milligan, sr vp; H. Dennis Smith, dir-comms; James E. Killponen, vp-gm, foodservice; Arto Puolanne, vp-gm, bakery personnel.

Mrs. Butterworth's syrups, Mrs. Butterworth's pancake & waffle mixes: BBDO, New York. Janet Presley, sr vp-mgmt rep.

Promise, I Can't Believe It's Not Butter!: McCann-Erickson Worldwide, New York. Linda Luca, sr vp-mgmt super.

Shedd's Country Crock spreads, Country Crock cheese products, Mrs. Filbert's margarine & salad products: Stone & Simons, Southfield, Mich. Christopher Gaffield, exec vp.

Imperial margarine: Lintas:New York. Stephanie Becker, sr vp-mgmt super.

Foodservice: Estrock Advertising, Orland Park, Ill. Jack Coughlin, pres.

Bakery-frozen doughs, mixes: The Marlin Company, Springfield, Mo. Dennis Marlin, pres.

THOMAS J. LIPTON INC.: Robert A. O. Davidson, sr vp-mktg; Max J. Ballard, sr vp-sales, Gold Bond; John M. Heil, vp-grocery mktg, Lawry's; Richard P. Kundrat, vp-gm, foodservice-bottler & dairy; Angelo S. LaMantia, vp-foods div; Robert S. Livingston, vp-sales div; Richard Newman, vp-mktg, Gold Bond; E. Russell Sherwood, vp-beverage div; Roy Thompson, gm-foodservice, Lawry's; Bruce Belowich, category dir-soups/meals; Michael Cullen, category dir-tea; J. Peter Deeb, dir-merch/promo planning; Linnea Johnson, category dir-convenience beverages/new prods; Tom Keen, dir-new food projects; Stewart Krentzman, category dir-condiments/snacks; Theodore Labiner, dir-adv/consumer svcs; Joseph Russo, dir-mkt research; Joseph Scaccia, Daniel Wynne, dirs-prod mgmt, Lawry's; John L. Sullivan, dir-mktg, foodservice.

Lipton teas, soup mix, Cup-A-Soup: Lintas:New York. Jeffrey Fine, exec vp.

Sunkist fruit snacks, Wyler's drink mixes: FCB/Leber Katz Partners, New York. Jill Seligson, vp-acct dir.

Wish-Bone salad dressing, Lipton side dishes: Ogilvy & Mather. Neve Savage, sr vp-exec grp dir.

Popsicle/Fudgsicle/Creamsicle frozen treats, Mickey's Parade Ice Pops, Mickey Mouse Bars, Gold Bond frozen treats, Minute Maid Fruit Juices, Richmond frozen treats, WYNN Superstar: McCann-Erickson Worldwide, New York. Linda Luca, sr vp-mgmt rep.

Lowry's Foods: Dailey & Associates, Los Angeles. Brian Morris, exec vp-dir, client svcs.

Food service: Warner, Bicking, Morris & Partners, New York. J.A. Morris, pres-mktg dir.

RAGU FOODS: Arthur P. Gonis, pres-ceo; Michael Bauer, vp-mktg; John M. Gennari, grp prod mgr-spaghetti sauce; Frances Bainor-Ebner, grp prod mgr-Adolph's/Pizza Quick/Chicken Tonight; Sheryl Roth-Rogers, grp prod mgr-new prods; Robert W. Spassard, vp-sales.

Ragu spaghetti sauces, Pizza Quick sauces, Adolph's tenderizers & marinades, Chicken Tonight: J. Walter Thompson USA, New York. Bruce Kelley, sr vp-mgmt dir.

CHESEBROUGH-POND'S USA: Peter England, sr vp-mktg/sales; William Ecker, dir-mktg, beauty; Gary Fraser, grp prod mgr-oral hygiene; Linda Nash, grp prod mgr-hair care; Steve Walton, grp prod mgr-deodorant/toiletries; Keith Weed, grp prod mgr-skin care; Victor Gaudet, sr vp-sales; William Reynolds, dir-mktg/sales svcs.

Brut deodorant & fragrance, Power Stick deodorant, Aim toothpaste, Pepsodent Professional toothbrush, Impulse body spray, Luna Mystique, Adan cosmetics, Calux cosmetics: Lintas:Worldwide, New York. Jeff Fine, grp exec vp.

Vaseline Intensive Care lotion, Vaseline Lip Therapy, Vaseline Intensive Care sunscare, Vaseline Intensive Care Hand & Nail Formula lotion, Vaseline Intensive Care UV Daily Defense lotion, Vaseline petroleum jelly, Vaseline Intensive Care bath products, Pond's: McCann-Erickson Worldwide, New York. Audry McConnell, acct super.

Q-tips cotton swabs, Health-Tex, Windsong, Ariance, Verve and Cachet fragrances: Ogilvy & Mather, New York. Linda Cornelius, grp dir.

Close-Up toothpaste, Suave hair care products: J. Walter Thompson USA, New York. Bruce Kelley, mgmt dir.

ELIZABETH ARDEN INC.: Joseph F. Ronchetti, pres-ceo; Joseph X. Spellman, exec vp-mktg devel/creative svcs; Michael Brillhart, exec vp-intl; N. Paul Masturzo, exec vp-gm, Elizabeth Arden U.S.; Bryan H. Janney, vp-gm, Parfums Intl Ltd.; Debra C. McDonough, dir-corp pr/sales promo; Barbara Bank, media dir; Paulette Dufault, vp-adv/creative svcs; James B. Miner, vp-mktg, Elizabeth Arden; Thomas Moloney, vp-mktg, Parfums Intl; Clare A. Cain, vp-mktg devel, fragrance; Victoria Connell, dir-mktg devel, makeup.
In-house.

CALVIN KLEIN COSMETICS CO.: Kimberly Delsing, pres-ceo; Paulanne Mancuso, exec vp Carmen Dubroc, sr vp-mktg; Lisa Greenblatt, vp-mktg; Linda Doherty, mktg dir-Obsession line; Karen Berkey, mktg mgr-Obsession line; Sarah Williams, intl mktg mgr-Obsession line; Marianne Darlak, mktg dir-Eternity line; Julie Geduldig, mkt coord-Eternity line; Noel Cook-Terwilliger, intl mktg mgr-Eternity line; Diana Waldron, sr mktg dir-Escape; Margie Glasser, mktg mgr-Escape; Terry Burstein, intl mktg mgr-Escape; Robert Green, vp-adv; Jeannie Means, adv dir.

Calvin Klein Cosmetics: CRK, New York (in-house). Tonne Goodman, vp-adv. Media buying: Chiat/Day/Mojo, New York. Mary Maroun, mgmt super.

RANK: 68

United Telecommunications

Shawnee Mission, Kan.
Ad spending: $155.3 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	2,766	4,310	(35.8)
Newspaper	79	830	(90.5)
Outdoor	161	245	(34.3)
Network TV	63,343	41,445	52.8
Spot TV	7,515	8,114	(7.4)
Syndicated TV	5,663	8,060	(29.7)
Cable TV networks	1,478	490	201.3
Network radio	216	0	NA
Spot radio	109	0	NA
Measured media	81,329	63,494	28.1
Unmeasured	74,000	57,800	28.0
Total	155,329	121,294	28.1
By top brands	**1990**	**1989**	**% chg**
US Sprint Communications Co.	67,467	45,737	47.5
US Sprint telephone card	11,194	16,122	(26.1)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	8,345	7,549	10.5
Earnings	309	363	(14.9)
Division sales	**1990**	**1989**	**% chg**
Long distance	5,065	4,324	17.1
Local communications	2,710	2,637	2.8
Complementary, other	807	762	5.9

CORPORATE PROFILE

Although United Telecommunications' US Sprint unit improved its share of the $56 billion long-distance market to about 10% from 8.3%, the year was characterized by an erosion in earnings.

AT&T Co. improved its share to 68% from 66.4% and MCI Communications Corp.'s share jumped to 15% from 12.5%.

Particularly hard hit in the second quarter and again in the third, United Telecom finished the year with net income down 14.9%.

The company blamed competitors' "accelerated sales and marketing efforts." It responded by reducing and realigning its marketing, sales and support functions to focus on residential, small and medium business, major accounts and international segments.

In early 1991, Tom Weigman, former senior partner of Marketing Corp. of America, was hired to the new position of chief marketing officer. Richard Smith, the former top sales and marketing executive, was moved to the new post of senior VP-quality development and PR.

The company's attempt to battle its competitors can't be slighted for a lack of ad spending United Telecom media spending in 1990 jumped 28.1% to $81.3 million, while spending on US Sprint related products surged 38.5% to $79.6 million.

Additional ad dollars have been directed to a series of spots featuring Candice Bergen, who first appeared last October as Sprint's spokeswoman. The initial campaign, which introduced the "Sprint has a better way" theme line, took pot shots at AT&T.

The Big 3 squared off in new product introductions with Sprint and MCI beating AT&T into the marketplace with an 800 number option for residential customers. The two also led the way in the greening of telecommunications, with Sprint launching a March promotion that donated up to 5% of customers' long-distance bills to 25 environmental organizations.

More often than not, Sprint found itself following its competitors in product introductions or in promoting products it already had unveiled. For example, late in 1990 the company created Sprint World, a package focusing on international calling features. But Sprint didn't promote the service until this July—in unique subtitled French-language spots featuring Ms. Bergen—following AT&T's support of its year-old Language Line services.

When MCI broke its Friends and Family 20% discount package last February, Sprint sat on the sidelines. In late May, however, after AT&T also introduced a discount program, Sprint unveiled its Priority frequency discount offer. The package reduced the monthly interstate calling volume needed to receive weekend and daytime discounts.

Sprint also is following its competitors into the market with a twist on their offering $20 cash certificates to customers who switched carriers. Sprint is developing a gift program to reward customer loyalty.

HEADQUARTERS

United Telecommunications/2330 Shawnee Mission Parkway/Westwood, Kan. 66205/Phone: (913) 676-3000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Kathleen Hughes, vp-corp comms.

US SPRINT: Ronald T. LeMay, pres-coo, long distance; Gary D. Forsee, pres-bus svcs grp; Dave R. Schmieg, pres-consumer svcs grp; Paolo L. Guidi, pres-Sprint Intl.; Thomas E. Weigman, chief mktg officer; Jorge L. Rodriguez, vp-adv/mktg comms.

US Sprint: J. Walter Thompson USA, San Francisco. Sherry Paul, sr vp-deputy gm.

US Sprint-dir mktg: Devon Direct Marketing & Advertising, Malvern, Pa. Marianne Croze, vp-mgmt super.

RANK: 99

Upjohn Co.

Kalamazoo, Mich.
Ad spending: $114.9 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	6,782	9,725	(30.3)
Sunday magazine	651	0	NA
Newspaper	4,215	3,762	12.0
Outdoor	11	0	NA
Network TV	53,894	35,487	51.9
Spot TV	4,212	535	687.1
Syndicated TV	3,807	4,701	(19.0)
Cable TV networks	1,001	955	4.9
Spot radio	84	0	NA
Measured media	74,657	55,184	35.3
Unmeasured	40,200	29,700	35.4
Total	114,857	84,864	35.3
By top brands	**1990**	**1989**	**% chg**
Motrin IB pain reliever	31,084	12,297	152.8
Corporate spending	23,414	27,542	(15.0)
Rogaine hair products	9,348	4,915	90.2
Kaopectate digestive aids	6,413	5,193	23.5

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	3,021	2,725	10.9
Earnings	706	515	37.1
U.S.	**1990**	**1989**	**% chg**
Sales	2,248	2,028	10.8
Earnings	618	377	63.9
Division sales	**1990**	**1989**	**% chg**
Human healthcare	2,406	2,151	11.9
Agricultural	615	574	7.1

CORPORATE PROFILE

Upjohn Co.'s ad expenditures last year were fueled by the prescribed hair treatment, Rogaine, as well as over-the-counter drug Motrin.

Upjohn general promotion advertising, which includes TV spots that refer to reversing male pattern baldness but don't specifically mention Rogaine, increased 17.5% to $27.5 million in 1990. Spending in print, which mentions Rogaine by name, nearly doubled to $9.3 million.

This year, Upjohn appears to have increased its emphasis on broadcast advertising. First-quarter 1991 spending for Upjohn general promotion (largely TV commercials for male pattern baldness) totaled $9.7 million, up 29.3% from a year earlier. Rogaine print advertising fell 33% to $2.2 million.

In addition, FDA approved this August the use of Rogaine as a treatment for female pattern baldness. Promotion should start in early 1992. The company estimates that more than 20 million American women have hair loss vs. about 30 million men.

Motrin IB pain reliever, introduced in 1989, has grown from a 2% share of the ibuprofen segment to 11% last year, said Julie Wolfe of Kline & Co. Although the segment grew 4%, the two leading brands lost ground. Category leader Advil, marketed by American Home Products Corp., dropped to 49% from 53% while Bristol-Myers Squibb Co.'s Nuprin fell to 18% from 20%, Ms. Wolfe said.

Total national ad spending by media

Category	100 Leading National Advertisers: Advertising expenditures 1990	1989	% chg	% of total 1990	1989	All U.S. advertising expenditures: Advertising expenditures 1990	1989	% chg	% of total 1990	1989	Coen's U.S. estimates* 1990	1989
Magazine	$2,882.1	$2,887.7	(0.2)	8.1	8.6	$6,737.7	$6,595.0	2.2	16.4	16.8	$6,803.0	$6,716.0
Sunday magazine	247.3	235.5	5.0	0.7	0.7	777.1	737.0	5.4	1.9	1.9	NA	NA
Newspaper	2,009.5	1,975.2	1.7	5.6	5.9	8,901.9	8,777.4	1.4	21.6	22.4	32,281.0	32,368.0
Outdoor	267.0	242.7	10.0	0.7	0.7	688.8	705.8	(2.4)	1.7	1.8	1,084.0	1,111.0
Network TV	7,846.8	7,286.0	7.7	22.0	21.6	10,132.3	9,559.0	6.0	24.6	24.4	9,383.0	9,110.0
Spot TV	3,938.7	3,575.2	10.2	11.1	10.6	9,293.3	9,029.4	2.9	22.6	23.0	15,644.0	14,966.0
Syndicated TV	1,258.5	973.5	29.3	3.5	2.9	1,587.6	1,286.7	23.4	3.9	3.3	1,589.0	1,288.0
Cable TV networks	633.9	527.1	20.3	1.8	1.6	1,110.2	952.5	16.6	2.7	2.4	1,393.0	1,197.0
Network radio	417.4	422.1	(1.1)	1.2	1.3	766.4	696.2	10.1	1.9	1.8	482.0	476.0
Spot radio	391.5	687.3	(43.0)	1.1	2.0	1,143.3	898.7	27.2	2.8	2.3	8,244.0	7,847.0
Subtotal measured media	19,892.8	18,812.3	5.7	55.9	55.8	41,138.6	39,237.7	4.8	32.0	31.7	76,903.0	75,079.0
All other advertising	15,720.9	14,907.7	5.5	44.1	44.2	87,501.4	84,692.3	3.3	68.0	68.3	51,737.0	48,851.0
Total U.S. ad spending	35,613.7	33,720.0	5.6	100.0	100.0	128,640.0	123,930.0	4.8	100.0	100.0	128,640.0	123,930.0

Note: Dollars are in millions. Sources: LNA/Arbitron and Radio Expenditure Reports. * Total U.S. advertising volume as estimated by Robert J. Coen, McCann-Erickson (AA, May 6, 1991). See "Methodology and sources," Page 72 for more information.

AA chart: Kevin Brown

Last year Upjohn sold the rights to 17 of its minor consumer brands, leaving Motrin IB, Kaopectate diarrhea medicine and Cortaid antibiotic as its main consumer products.

Ad support for the latter two products grew by double digits; Cortaid expenditures rose 11.9% to $4.8 million, and Kaopectate support increased 24% to $6.4 million.

As part of a management reorganization in late 1990, William U. Parfet was named president. Analysts said his promotion from exec VP reflects the company's desire to remain independent, amid speculation that Upjohn was a candidate for a takeover or merger. Mr. Parfet is the great-grandson of company founder W.E. Upjohn. The founding family controls 18% of Upjohn's stock. Outgoing President Theodore Cooper remains chairman-ceo. He was the first from outside the family to run the company.

Fueling this speculation is the trend toward consolidation in the pharmaceutical industry in recent years, and the predicted pressures on Upjohn's future profits.

Upjohn in 1993 will lose patent protection on two drugs—Xanax, a tranquilizer, and Halcion, a sleeping pill. Together, they bring in 30% of Upjohn's profits and about 15% of sales (nearly $500 million in revenue), according to analysts.

Accordingly, Upjohn's research has been on the pharmaceutical side where it has concentrated on cancer and infectious diseases, cardiovascular ailments, and disorders of the central nervous system.

HEADQUARTERS

The Upjohn Co./7000 Portage Rd./Kalamazoo, Mich. 49001/Phone: (616) 323-4000.

PERSONNEL, BRANDS, AGENCIES

HUMAN HEALTHCARE: Thomas M. Laughlin, corp vp-gm, consumer prods div; Peter R. Seaver, corp vp-worldwide pharmaceutical mktg; Edward J. Hessler, PhD, corp vp-gm, chemical div; Thomas G. Schalk, DVM, corp vp-worldwide animal health; Richard J. Howland, vp-consumer prods div; George A. Kaufmann, vp-worldwide pharmaceutical mktg; Keith S. Burton, vp-dermatology div; Sharad L. Jain, vp-chemical div mktg.

Motrin IB: Hill, Holliday, Connors, Cosmopoulos, New York. Bob Horne, sr vp-grp acct dir.

Kaopectate, Cortaid: Grey Advertising, New York. Laird Stiefvater, acct super.

Rogaine: Klemtner Advertising, New York. David Liebeskind, acct exec.

Hispanic consumer adv: Sanchez & Levitan, Miami. Aida Levitan, exec vp.

RANK: 61

U.S. dairy farmers

Arlington, Va.

Ad spending: $175.9 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	14,780	16,109	(8.3)
Sunday magazine	0	379	NA
Newspaper	175	141	23.9
Outdoor	1,307	1,715	(23.8)
Network TV	28,742	38,251	(24.9)
Spot TV	32,155	22,519	42.8
Syndicated TV	5,431	4,083	33.0
Cable TV networks	6,510	6,528	(0.3)
Network radio	3,285	5,175	(36.5)
Spot radio	2,603	4,038	(35.5)
Measured media	94,990	98,938	(4.0)
Unmeasured	80,900	84,200	(3.9)
Total	175,890	183,138	(4.0)
By top brands	**1990**	**1989**	**% chg**
National Dairy Prod. & Risch Board	54,900	58,900	(6.8)

U.S. AD SPENDING ($ in thousands)

By top brands	1990	1989	% chg
American Dairy Assn.	46,000	48,[illegible]	(1.6)

CORPORATE PROFILE

Ad spending in 1990 by U.S. dairy marketing groups was mostly flat, with regional and national dairy groups, particularly milk marketers, trying to stretch funding to stop the decline in consumption levels.

The milk industry had hoped to get a $110 million ad boost this year as part of the federal farm bill, but those hopes are fading.

The bill, passed by Congress in fall 1990, would fund new milk advertising through a 20¢ fee per hunderweight paid by processors, who buy milk from dairy farmers and package it for sale. A new group, the National Processor Advertising & Promotions Board, would administer the funds.

But before the bill can become law, the processors must approve the measure in a referendum. At its October board meeting, the Milk Industry Foundation, representing 80% of processors, will decide if a referendum is to be held. The bill appears to lack the support needed to pass, according to a foundation poll. Half the processors must approve the assessment.

Under the 1983 Dairy & Tobacco Adjustment Act, the amount of money available for dairy advertising is determined by raw milk volume. Dairy farmers and co-ops pay a 15¢ per hundredweight of raw milk assessment.

The National Dairy Production & Research Board receives the largest portion. The board got $77.5 million in funding for 1990, up 2.9%, and spent $54.9 million in media, down 6.8%. The biggest campaign is cheese at $21 million, followed by milk at $16 million.

The economy isn't helping the dairy industry. The board expects flat dairy sales again in 1991, anticipating a weaker foodservice market.

Consumption in some areas seems to be gradually on the upswing. In the milk categories covered by the board, children ages 6 to 16, consumption rose 2% last year.

Dairy marketers are seeing continued success with low-fat products. They are trying to position products such as cheese as part of a quality diet. The NDPRB is conducting a study to match market segments with milk types.

The California Milk Advisory Board is having success with a new milk introduced last year, Extra Light 1%, which has only 1% butterfat but a high calcium level of 11%. It is gaining market share over other low-fat milks and has driven milk sales up 5%. The board's media spending was flat at $18.5 million.

The biggest of the sister bodies to the national dairy board, the American Dairy Association, kept spending flat at $48 million.

Other regional board spending was down or flat. The Wisconsin Milk Marketing Board cut spending from about $11 million to only $546,000 in 1990 as it funneled more monies into research. The Washington Dairy Products Commission spent $3.7 million, even with 1989, and Oregon Dairy Products Commission spending remained at $900,000.

HEADQUARTERS

U.S. Dairy Farmers National Dairy Promotion and Research Board/2111 Wilson Blvd., Ste. 6000/Arlington Va. 22201/Phone: (703) 528-4800.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Cynthia Carson, ceo; George DeJager, sr vp-mktg/adv; Kathryn M. Klaus, dir-adv programs; Maureen Bergen, dir-adv/research programs; Bill Diggins, sr vp-mkt/economic research; Cathy Perpetua, dir-mkt research; Charles Timpko, Paige Patterson, mgrs-consumer research.

Ads to health professionals: Bozell Health Care, New York. Anne Petz, vp acct super.

Consumer & foodservice adv: cheese, butter, ice cream: Grey Advertising, New York. Jordan Rosuck, exec vp.

Nonfat dry milk, trade adv: Gorman Publishing Co., Chicago. Steve Siakis, acct mgr.

Calcium, milk-youth adv: McCann-Erickson, San Francisco. Tom Drese, sr vp.

Food processing & manufacturing: Stricevic & O'Connell, Chicago. Daniel O'Connell, Daniel Stricevic, principals.

HEADQUARTERS

American Dairy Association/6300 N. River Rd./ Rosemont, Ill. 60018/Phone: (312) 696-1880.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: M.F. Brink, ceo; Gerald A. McCann, sr vp-adv; Christopher W. Clay, vp-mktg srvcs; Steven A. Dohrmann, vp-mktg planning; Donna A. Arcus, dir-retail promo; Debra L. Olson, dir-foodservice/special mkts promo.

Fluid milk, NFDM and cheese, butter, other dairy foods: D'Arcy Masius Benton & Bowles, Chicago. Ben Bishop, sr vp-grp acct dir.

Foodservice: Noble & Associates, Chicago. Susan Saltwell, vp-foodservice.

HEADQUARTERS

California Milk Advisory Board/400 Oyster Point Blvd., Ste. 214/South San Francisco, Calif. 94080/Phone: (209) 521-1060.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: [illegible] Waits, ceo; Adri Boudewyn, dir-communications.

Manufactured dairy products: Foote, Cone & Belding, Los Angeles. Harry Lamdseidel, mgmt dir.

Field milk: McCann-Erickson Worldwide, San Francisco. Michael Freeman, acct exec.

HEADQUARTERS

Oregon Dairy Products Commission/10505 S.W. Barbur Blvd./Portland, Ore. 97219/Phone: (503) 229-5011.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Sheldon Pratt, ceo; Lorinda Meindl, dir comms.

Cheese, field milk: In-house.

HEADQUARTERS

Washington Dairy Products Commission/1107 N.E. 45th Street/Seattle, Wash. 98105/Phone: (206) 545-6763.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Rod Erickson, ceo; Steve Matzen, dir-mktg; Doug Simpson, gm.

Dairy products: Ehrig & Associates, Seattle. Dick Ehrig, acct super.

HEADQUARTERS

Wisconsin Milk Marketing Board/4337 W. Beltway Hwy./Madison, Wis. 53711/Phone: (608) 836-8820.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Ric Johnson, sr vp mktg; Bill Drew, vp prod mgmt; Andrea Nen, vp mkt svcs; Dave Baulnka, mgr-fluid/related prods mktg; Tom O'Connell, mgr-foodservice mktg; Ann Noppe, mgr-food processing mktg; Terry Jones, mgr-adv/promo.

Cheese: Foote, Cone & Belding, Chicago. Jean MacLaren, mgmt super.

Fluid milk: McCann-Erickson Worldwide, San Francisco. Jerry Scott, acct super.

Food processing: Kocs Wesson & Associates, Milwaukee. Warren Eulgin, mgmt super.

Dairy product promo: Stephen & Brady, Madison, Wis. Katherine Johnson-Becklin, mgmt super-consumer/foodservice promo.

RANK: 39

U.S. Government

Washington

Ad spending: $304.0 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	39,143	38,204	2.5
Sunday magazine	11,338	5,038	125.1
Newspaper	15,714	16,820	(6.6)
Outdoor	903	1,170	(22.8)
Network TV	53,476	62,109	(13.9)
Spot TV	25,242	27,480	(8.1)
Syndicated TV	5,152	6,656	(22.9)
Cable TV networks	5,900	5,971	(1.2)
Network radio	15,281	14,855	2.9
Spot radio	9,016	6,473	39.3
Measured media	181,145	184,755	(2.0)
Unmeasured	122,900	125,400	(2.0)
Total	304,045	310,155	(2.0)
By top brands	**1990**	**1989**	**% chg**
U.S. Army	62,591	61,809	1.3
U.S. Postal Service	42,519	46,536	(8.6)
U.S. Navy	14,695	10,572	39.0
U.S. armed forces	14,692	23,297	(36.9)
U.S. government departments	7,026	1,325	430.1

CORPORATE PROFILE

The federal budget may be continuing to grow, but such is not the case with the amount of federal funds allocated to advertising. Whether military or civilian, virtually every account is looking at stiffer cuts, with some expected to decline sharply in fiscal 1991, ending Sept. 30.

The U.S. Navy recruiting account, for example, grew 29.4% from fiscal 1989 to fiscal 1990, to $25.1 million, but is expected to shrink 35.5%, to $16.2 million, in 1991.

Likewise for the U.S. Marine Corps account. After a slight decline from fiscal 1989 to 1990, $17.8 million to $17.1 million, the account that's been held by J. Walter Thompson USA since 1946 is slated to shrink to $10.1 million for fiscal 1991.

One caveat for the scheduled budget changes that could alter some of the expected numbers for fiscal 1991 is the Persian Gulf War.

The U.S. Postal Service, a quasi-government agency, also saw considerable decline in advertising. That's all the more noteworthy since the postal service is a major sponsor of the 1992 Olympics; the agency is just gearing up for its Olympics-related campaign, but nevertheless was coming off a budget cut of about 14% from fiscal 1989 to fiscal 1990's $31.6 million.

The joint military recruiting account, once targeted for considerable expansion at the expense of individual service accounts, is another shrinking account. Down 2.6% in 1989 to $26.3 million, the joint recruiting account fell to $11.7 in fiscal 1990.

The National Railroad Passenger Corp (Amtrak) spent $25.5 million in media, down 5.4% from the prior year.

HEADQUARTERS

U.S. Government/Washington.

PERSONNEL, BRANDS, AGENCIES

DEPARTMENT OF DEFENSE: Lt. Gen. Mentor Alexander, deputy asst secretary-defense, military manpower & personnel policy; Lt. Col. Martha Cavaioni, USA, acting dir; Lt. Col. Dave Fred-

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rikson, USA, asst dir-adv, contracting officer's rep; Lt. Porsche Gaston, USMC, program adv mgr; Capt. Donna Edwards, USAF, program adv mgr; Lt. Steve Hein, USCG, program adv mgr.

Joint Recruiting: Grey Advertising, New York. Robert Ravitz, exec vp-mgmt rep.

DEPARTMENT OF THE ARMY: Honorable G. Kim Wincup, asst secretary-Army manpower & reserve affairs; Lt. Gen. William H. Reno, deputy chief of staff-personnel; Lt. Col. Gregory T. McGuckin, chief-mktg/adv, office of deputy chief of staff-personnel; Maj. Michael I. Roddin, adv program mgr. U.S. ARMY RECRUITING COMMAND: Maj. Gen. Jack C. Wheeler, commanding genl-U.S. Army Recruiting Command; Col. John C. Myers, dir-adv/sales promo/public affairs; Thomas Evans, deputy dir-adv/sales promo/public affairs. U.S. ARMY RESERVE: Maj. Gen. Sandler, chief-U.S. Army Reserve; Joseph G. Hanely, dir-public affairs & adv, office of chief-Army Reserve; Albert W. Schilf, deputy dir-public affairs & adv office. U.S. ARMY ROTC CADET COMMAND: Maj. Gen. Wallace C. Arnold, commanding genl-U.S. Army ROTC Cadet Command; Col. Robert R. Thompson, dir-mktg/adv/public affairs directorate; Lt. Col. John B. Gately, deputy dir-chief, adv branch.

U.S. Army, Army Reserve, Army ROTC: Young & Rubicam, New York. John Glorieux, exec vp-mg dir.

U.S. NAVY: Capt. H.J. Zinser, dir-recruiting, adv dept; Stephen Abbott, dir-adv operations div.

BBDO, New York. Bruce Meyers, exec vp-dir acct svcs.

U.S. MARINE CORP.: Brig. Gen. Charles C. Krulak, dir-personnel mgmt/procurement divs; Lt. Col. Robert E. Wilson Jr., head-mtkg branch.

J. Walter Thompson USA, Atlanta. Chris Hall, sr vp-grp acct dir.

U.S. AIR FORCE: Brig. Gen. Michael G. Vergamini, commander-USAF recruiting svcs; Col. Charles G. Tucker, dir-adv/promo; Tim Talbert, chief-adv div; Albert Rodriguez, chief-mgmt div.

Bozell, New York. Doug Laughlin, vp-mgmt rep.

NATIONAL GUARD: Lt. Col. John Runner, chief-Army National Guard recruiting & retention mgmt center; Maj. Jeanne Werts, Air National Guard recruiting & retention branch.

Bozell, Washington. Doug Laughlin, vp-mgmt rep.

TRANSPORTATION DEPARTMENT-COAST GUARD: Capt. Juan Salas, chief-recruiting & job entry div; Lt. Cmmdr Steve Hein, dir natl adv.

Grey Direct, New York. Alex Eaton, acct super.

U.S. POSTAL SERVICE: Dick Stasser, sr asst postmaster genl-mktg & customs svcs grp; John Wargo, asst postmaster genl-adv & acct svcs; Rod DeVar, dir-adv & promo.

Young & Rubicam, New York. Richard Kahn, sr vp-grp dir.

AMTRAK: William S. Norman, exec vp; Robert Gall, vp-passenger mktg sales; Joan E. Wheatley, dir adv/sales promo.

DDB Needham Worldwide, New York. Roy Lancaster, exec vp-bus unit dir.

U.S. MINT: Dave Pickens, assoc dir-mktg; Mrs. Michael Burke, mktg officer.

American Eagle Coin, Eisenhower Coin: Grey Advertising, New York. Robert Ravitz, exec vp-mgmt rep.

RANK: 95

U.S. Shoe Corp.

Cincinnati

Ad spending: $120.7 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	6,881	5,944	15.8
Sunday magazine	1,004	700	43.5
Newspaper	2,815	3,144	(10.5)
Outdoor	233	185	26.1
Network TV	9,196	4,868	88.9
Spot TV	34,747	30,466	14.1
Syndicated TV	4	36	(90.0)
Cable TV networks	870	83	NA
Spot radio	616	1	NA
Measured media	56,364	45,427	24.1
Unmeasured	64,300	51,800	24.1
Total	120,664	97,227	24.1
By top brands	**1990**	**1989**	**% chg**
Lens Crafters opticians	37,654	33,735	11.6
Easy Spirit sporting footwear	11,572	3,832	201.9

SALES & EARNINGS ($ in millions)

Worldwide	1991	1990	% chg
Sales	2,719	2,557	6.3
Earnings	433	487	(11.1)
Division sales	**1991**	**1990**	**% chg**
Women's apparel	1,336	1,235	8.2
LensCrafters Optical	580	532	9.1
Footwear	803	791	1.5

CORPORATE PROFILE

U.S. Shoe initiated a restructuring plan in 1990 to streamline operations and increase productivity as it boosted ad spending across the board among its major units.

Restructuring included the sale of 21-store Cabaret accessories retail division, agreements to sell 134 Ups 'N Downs women's apparel stores, closing of two footwear manufacturing plants, termination of the Adrienne Vittadini footwear licensing agreement and merger of Amalfi and David Evins footwear divisions.

The restructuring affected operations accounting for about $330 million in sales, or 12% of total company revenues and $25 million in operating losses in fiscal 1990, which closed Feb. 2, 1991. U.S. Shoe's new president-ceo, Bannus B. Hudson, led the restructuring. He replaced Philip G. Barach, who retired in 1990.

U.S. Shoe's biggest unit, the women's apparel retailing group, recorded an operating loss of $4.9 million, down from a $53.2 million gain in 1989. The loss included a charge of $56 million related to the restructuring. Earnings were down at the group's largest unit, Casual Corner, and also at Ups 'N Downs, Caren Charles and T.H. Mandy.

The weak Christmas selling season affected returns. The company shouldered a decline in gross profits of 8.6% in the soft fourth quarter.

Other retail group units, Petite Sophisticate and August Max, had improved sales and earnings.

Media spending in support of the specialty retailers increased 31.4% though remained at a modest $2.05 million, with Casual Corner claiming $1.5 million of that. Casual Corner is refocusing its merchandise mix, adding more sportswear and casual items to its career line. The chain this month launched a new campaign with the tagline "Work hard, play hard, shop easy." Advertising to Women which won agency-of-record status this year, handles.

Strong first-half 1990 sales in the footwear group compensated for a second-half decrease as the full year achieved 2% growth, as the group reported an operating loss of $13.9 million (including a restructuring charge of $34 million) compared with a $30 million gain in 1989.

Media spending for the group was up 53.8% to $16 million. With hopes of improving product awareness, Easy Spirit shoes and sporting footwear boosted its ad spending to $12.4 million, up from $4.9 million.

An Easy Spirit men's line was launched regionally this year and will go national by the fall of 1992.

LensCrafters has cornered one-third of the eyewear superstore market, which makes up 10% of the $10 billion U.S. retail eyewear market.

A 9% sales increase by LensCrafters is attributed primarily to the opening of 92 new retail outlets; comparable-store sales declined 2%. Operating earnings fell 72% in 1990 to $13.3 million, primarily due to costs of opening 58 stores in the second half of the year. It accounted for two-thirds of U.S. Shoe's media dollars.

HEADQUARTERS

U.S. Shoe Corp./One Eastwood Dr./Cincinnati, Ohio 45227/Phone: (513) 527-7000.

PERSONNEL, BRANDS, AGENCIES

FOOTWEAR MANUFACTURING/WHOLESALING & RETAILING GROUPS: Claire Brinker, mktg dir-Easy Spirit; Jeanie Messer, mktg/sales promo dir-Cobbie Shoes; Ellen Harris, mktg/adv dir-Selby Shoes; Sue Blaney, adv/sales dir-Joyce Shoes; Melissa Swett, mktg dir-corp concept stores.

Easy Spirit shoes: Advertising to Women, New York. Bill Dreher, acct exec. Media: Media that Works, Cincinnati.

Selby Shoes: Creative: In-house. Media: Customized Media, New York. Geri Powers.

Amalfi/David Evins (under license), Bandolino, Capezio, Cobbie, El Dorado, Evan-Picone (under license), J. Chaplin, Joyce, Leslie Fay (under license), Pappagallo, Texas Brand Boots, Vittorio Nicci Studio, Wrangler (under license): Creative: In-house. Media: Media that Works, Cincinnati.

Retailing: Bandolino/Capezio Factory Direct, The Cobbie Shop, Cincinnati Shoe Company, Easy Spirit Shoe Stores, Nolan Shoes, Joyce-Selby Shoes, Shop for Pappagallo: Creative: In-house. Media: Media that Works, Cincinnati.

LENSCRAFTERS OPTICAL: Kerry Bradley, mktg dir.

Creative: In-house. Media: Media that Works, Cincinnati.

WOMEN'S APPAREL RETAILING GROUP: Greg Lechner, mktg dir-August Max Woman/Caren Charles/Casual Corner/Ups 'N Downs; John Disa, vp-mktg, Petite Sophisticates; Susan Yorkunas, adv mgr, T.H. Mandy.

Casual Corner-creative & media: Advertising to Women, New York. Carl Maier, sr vp.

August Max Woman, Caren Charles, Ups 'N Downs, T.H. Mandy: Creative: In-house. Media: Media that Works, Cincinnati.

RANK: 79

Volkswagen AG

Troy, Mich.

Ad spending: $138.5 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	10,847	20,830	(47.9)
Sunday magazine	992	164	NA
Newspaper	4,275	6,595	(35.2)
Outdoor	146	33	345.0
Network TV	18,565	21,727	(14.6)
Spot TV	17,506	21,915	(20.1)
Syndicated TV	342	1,117	(69.4)
Cable TV networks	7,730	4,391	76.0

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*ABC Supplemental Data Report, 1990.

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On Marketing

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Network radio	31,504	8,300	279.6
Spot radio	5,005	7,251	(31.0)
Measured media	96,912	92,322	5.0
Unmeasured	41,600	39,600	5.1
Total	138,512	131,922	5.0
By top brands	**1990**	**1989**	**% chg**
Volkswagen cars	63,414	52,632	20.5
Audi car leasing	18,456	9,427	95.8
Audi cars	12,718	22,756	(44.1)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	41,817	34,823	20.1
Earnings	667	553	20.6
U.S.	**1990**	**1989**	**% chg**
Sales	2,531	2,263	10.9
Operating income	NA	NA	NA

CORPORATE PROFILE

Volkswagen, with more consecutive yearly declines in U.S. sales than the number of syllables in *Fahrvergnugen*, is embarking on an eight-year, $38 billion worldwide spending program to firm up its shaky market position.

VW, which continues to build its U.S. advertising around the *Fahrvergnugen* ("joy of driving") theme, sold 157,454 VWs and upscale Audis in the U.S. in 1990, up 1.6%. It still posted a 3.8% decline in U.S. revenue in marks, largely due to dealer incentive programs and price cutting. VW has strung together six consecutive years of U.S. revenue declines: all in marks. (Each mark was worth 15.3% more dollars in 1990 than '89, delivering a growth in dollars.)

VW/Audi's total share of the U.S. car market rose slightly to 1.63% from 1.57%, while its share of the import market climbed to 5.3% from 4.8%.

VW has commited more than $20 billion in new investments, including the 1991 purchase of a majority share in Skoda, the Czechoslovak auto marketer.

VW plans to spend $1 billion expanding its Puebla, Mexico, plant to supply North America with Golfs and Jettas. VW reached an agreement with Toyota Motor Corp. in July 1991 that paved the way for Toyota dealerships in Japan to begin selling Volkswagens and Audis. The deal could push VW sales in Japan to 100,000 units annually by 1996, compared with 53,461 last year.

For the U.S. market, VW plans a spring 1992 launch of the front-wheel-drive Eurovan, successor to the Vanagon. New editions of Golf and Jetta also are planned. A two-seat speedster to compete with Mazda Motor of America's Miata is in development.

VW's key U.S. marketing strategy in 1990 continued to be forsaking customer rebates in favor of price cuts and dealer incentives. Instead of rebates to raise consumer awareness in 1990, VW banked on its *Fahrvergnugen* campaign.

The sporty new Passat drew the largest media expenditure for a nameplate with $38 million in media in its first year.

This May, VW introduced a credit card program, Club Fahrvergnugen, that had been running in Europe since late 1990. The Visa card program for VW/Audi owners offers cardholders discounts with Carnival Cruise Lines, Northwest Airlines, Holiday Inn and Sony Corp.

Audi saw its U.S. sales drop 0.8% to 21,106 units. A new 10% luxury tax on cars priced above $30,000 slowed sales in first-half 1991.

Audi plans to revamp virtually its entire U.S. line in the 1992 model year. The new models will occupy price gaps between Japanese luxury models and the pricier European luxury cars. Audi has been trying to reposition itself by instituting extensive warranties, advertising stressing driver control and safety, and innovative leasing programs.

HEADQUARTERS

Volkswagenwerk AG/D-3180 Wolfsburg 1, Germany.

Volkswagen of America/3800 Hamlin Road/Auburn Hills, Mich. 48326/ Phone: (313) 340-5000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Ben Hilverda, dir-Audi mktg; Ronald Dusenberry, mgr-Volkswagen adv.

Audi, Volkswagen: DDB Needham Worldwide, Troy, Mich. Peter Saad, exec vp-office of the pres-acct dir.

RANK: 70

Wal-Mart Stores

Bentonville, Ark.

Ad spending: **$151.7** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	3,597	5,226	(31.2)
Sunday magazine	11,722	7,355	59.4
Newspaper	3,221	2,943	9.5
Outdoor	184	98	89.1
Network TV	2,505	227	NA
Spot TV	39,408	34,707	13.5
Cable TV networks	639	672	(4.9)
Spot radio	60	125	(52.0)
Measured media	61,336	51,352	19.4
Unmeasured	90,400	75,700	19.4
Total	151,736	127,052	19.4
By top brands	**1990**	**1989**	**% chg**
Wal-Mart general	30,202	21,864	38.1
Wal-Mart apparel	10,957	8,683	26.2
Wal-Mart sport, toy, hobby	5,826	7,361	(20.8)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	32,602	25,811	26.3
Earnings	1,291	1,076	20.0

CORPORATE PROFILE

Wal-Mart Stores snubbed its nose at a recession that caught most retailers in a vise and leapfrogged over Kmart Corp. and Sears, Roebuck & Co. in total sales to become the nation's biggest retailer.

Wal-Mart also spent considerably fewer ad dollars than its chief rivals in calender '90. Most of its advertising is vendor-funded through co-op deals, which holds down expenses.

The retailer isn't expected to slow its pace, either. It plans to be a $125 billion company by the year 2000. Wal-Mart has 1,600 Wal-Mart stores, 181 Sam's Clubs, and four Hypermart USA units in a 36-state trade area, and is aggressively moving into the Northeast and California. It's expanding in Mexico through a joint venture with Cifra to open about five Club Aurrera membership warehouse stores this year in Mexico City. Cifra is Mexico's largest retailer.

Wal-Mart is testing a close-out store concept with four Bud's Warehouse Outlets. And in a move to further expand its customer base, it broke its first TV advertising aimed at U.S. Hispanics last April, via GSD&M.

Despite the recession, Wal-Mart's same-store sales grew by 11% in the first six months of its current fiscal year. Overall sales, enhanced by new-store growth, have expanded 29%. In fiscal 1990, Wal-Mart posted a 26% increase in total sales, as same-store sales grew 10%.

Part of Wal-Mart's strength is its everyday low-price strategy adopted in the 1960s. GSD&M and Bernstein-Rein handle Wal-Mart's advertising that bears the theme: "Always the low price on the brands you trust—Always."

Wal-Mart's cause-related marketing efforts also score points with consumers. Wal-Mart uses green shelf tags in its stores to promote environmental improvements to products and packaging, and has set up recycling centers at its stores. TV advertising from GSD&M supports.

The retailer also remains committed to buying U.S.-made goods. Advertising supports from Bernstein-Rein.

Wal-Mart concentrated most of its measured spending on spot TV in 1990, which amounted to 64% of total media expenditures. Most of Wal-Mart's unmeasured spending is on monthly circulars prepared by its in-house ad department, which also handles newspaper run-of-press advertising.

HEADQUARTERS

Wal-Mart Stores/702 S.W. Eighth Street/Bentonville, Ark. 72716/Phone: (501) 273-4000.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Paul Higham, vp-mktg; Barbara Brown, dir-ad control; Mike Baron, dir-prodn; Bob McCurry, dir-store design; Jim Scibetta, dir-package design.

Wal-Mart Stores: Bernstein-Rein Advertising, Kansas City, Mo. Skip Rein, exec vp. GSD&M, Austin, Texas. Betsy Martin, acct exec.

RANK: 15

Warner-Lambert Co.

Morris Plains, N.J.

Ad spending: **$630.8** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	21,648	26,961	(19.7)
Sunday magazine	26	2,029	(98.6)
Newspaper	269	1,300	(79.3)
Outdoor	995	1,639	(39.3)
Network TV	91,115	100,826	(9.6)
Spot TV	36,896	24,282	51.1
Syndicated TV	48,434	24,745	95.7
Cable TV networks	4,739	3,895	21.7
Network radio	11,582	14,339	(19.2)
Spot radio	233	1,042	(77.6)
Measured media	215,738	201,049	7.3
Unmeasured	415,100	386,800	7.3
Total	630,838	587,849	7.3
By top brands	**1990**	**1989**	**% chg**
Benadryl allergy relief pills	26,954	22,372	20.5
Listerine mouthwash	20,328	20,404	(0.4)
Trident gum & mints	20,048	15,721	27.5
Carts mints	18,236	16,042	13.7
Rolaids antacid	16,987	14,878	13.5
Sinutab	12,567	12,472	1.0
Dentyne gum & mints	11,084	9,420	17.7
Lubriderm lotions	10,298	9,717	6.0
Efferdent denture cleaner	9,322	9,277	0.5
Halls	8,580	6,220	37.9

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	4,887	4,196	11.7
Earnings	485	413	17.5
U.S.	**1990**	**1989**	**% chg**
Sales	2,445	2,249	8.7
Operating profit	740	650	13.8
Division sales	**1990**	**1989**	**% chg**
Healthcare	3,081	2,694	14.4
Gums & mints	1,054	1,003	5.1
Other products	552	499	10.6

CORPORATE PROFILE

Warner-Lambert Co. upped media spending 7.3% to $630.8 million in 1990, reflecting support for new brands like Medi-Flu and significant increases for Benadryl, Halls and Trident.

In addition, the company established a $30 million ad and promotion budget for the early 1991 launch of the Schick Tracer shaving system, that included $17 million in nonmedia support.

Tracer competes directly with Gillette Co.'s Sensor, launched in January 1990. As of April 1991 Tracer had a 1.4% share of the rapidly growing $935 million wet razor category, compared with Sensor's 12.4%, said Andrew Shore, first VP-senior analyst at Prudential Securities.

On the agency side, the company consolidated in April 1991 nearly $200 million in broadcast TV buying at J. Walter Thompson USA, which already handled the majority of that business.

Benadryl was the top-spending brand in 1990 with $34.7 million in media, up 6.4%. Backing for Benadryl Plus Nighttime Formula, launched in July 1989, continued to increase, up 119% to $3.8 million. Benadryl leads the $170 million allergy medicine category with a 40% share, according to Julie Wolfe, senior analyst at business consultancy Kline & Co.

In April 1991 the National Cancer Institute released a study linking cancer to mouthwashes with high alcohol content. The American Dental Association reviewed the study but allowed its seal of approval to remain on Listerine (26.9% alcohol). Listerine is the No. 1 mouthwash with a 30% share of the $800 million U.S. market.

Warner rolled out Extra Strength Rolaids in 1990, backed by $14.4 million in media. Regular Rolaids dropped 86% in spending to $2.1 million. Rolaids has a 30% share of the $750 million antacid category, Ms. Wolfe said.

The company in early 1991 rolled national with Halls Plus, a cough suppressant with a syrup center. Halls Plus received $3.3 million in media. Halls has about 50% of the $330 million U.S. cough drop market.

In August 1990 Warner-Lambert launched Medi-Flu, a tablet and liquid medicine that relieves severe flu symptoms.

American Chicle Corp. in 1990 began testing Cinn-A-Burst gum, which is expected to go national in fourth-quarter 1991. In November a new TV campaign broke for Trident themed "Walk and chew." Chicle trails Wm. Wrigley Jr. Co. in the $1.4 billion U.S. gum market, with a 24%-to-25% share to 48%-to-50% for Wrigley.

In August 1991, Joseph D. Williams stepped down as chairman-ceo. His position was assumed by Melvin R. Goodes, who had been president-chief operating officer.

HEADQUARTERS

Warner-Lambert Co./201 Tabor Rd./Morris Plains, N.J. 07950/Phone: (201) 540-2000.

PERSONNEL, BRANDS, AGENCIES

AMERICAN CHICLE GROUP DIV.: Theodore G. Schnable, vp-sales; Michael Soriano, vp-mktg svcs.

Trident, Clorets, Bubblicious, Halls, Halls Plus, Beeftaro: J. Walter Thompson USA, New York. Jack Morrissey, sr vp-mgmt dir.

Rolaids, Carts, Sugar-Free Carts, Sugar-Free Carts Mini-Mints, Dentyne, Sugar-Free Dentyne, Junior Mints, Cinn-A-Burst: Young & Rubicam, New York. Arlene Brickner, sr vp-grp dir.

CONSUMER HEALTH PRODUCTS GROUP: Joseph W. Mazur, vp-sales.

Listerine, Listermint With Fluoride, Listermint, Listermint Body Bar, Sinutab, e.p.t., Anusol, Personal Touch shaving products, Schick shaving products, Medi-Flu: J. Walter Thompson USA, New York. Jack Morrissey, sr vp-mgmt dir.

Effergrip: Young & Rubicam, New York. Arlene Brickner, sr vp-grp dir.

Consumer & professional adv: Benylin, Benadryl and, Benadryl topical, Tucks, Calmdryl, new products. Anusol-professional adv: Sudler & Hennessey, New York. Arthur M. Rosen, exec vp-mg dir, consumer adv; Donald Masterson, exec vp-grp dir, professional adv.

RANK: 96

Wendy's International

Dublin, Ohio

Ad spending: **$119.8** million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	15	0	NA
Sunday magazine	17	0	NA
Newspaper	27	127	(78.9)
Outdoor	1,570	1,441	8.9
Network TV	40,326	47,907	(15.9)
Spot TV	37,089	36,509	1.5
Syndicated TV	8,342	3,795	119.8

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Source: WSJ 1989 Worldwide Subscriber Study
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U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Cable TV networks	3,361	2,744	22.5
Spot radio	376	585	(35.8)
Measured media	91,080	93,108	(2.2)
Unmeasured	26,700	29,300	(2.0)
Total	119,780	122,408	(2.1)
By top brands	**1990**	**1989**	**% chg**
Wendy's restaurants	91,066	92,860	(1.9)

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	1,010	1,070	(5.6)
Earnings	39	30	28.2
Division sales	**1990**	**1989**	**% chg**
Retail sales	922	973	(5.3)
Royalties	80	78	2.6
Other	9	19	(51.8)
Systemwide results	**1990**	**1989**	**% chg**
Company-operated restaurants	922	973	(5.2)
Franchisees	2,148	2,063	4.1
Total systemwide sales	3,070	3,036	1.1

CORPORATE PROFILE

Wendy's International is concentrating on streamlining operations and refocusing marketing programs.

In 1990, the company introduced a leaner regional operational structure and added training programs while reducing restaurant management levels, and instituted tighter food and labor controls. The payoff: Net income rose 28.2% to $39.3 million. Sales were harder to come by. Systemwide sales rose to $3.07 billion, up only 1.1%, compared with industry sales of 7%.

Average sales for domestic Wendy's restaurants rose 2.8% to $811,000, still short of the peak $871,000 reported in 1985 when the chain was riding the popularity of its "Where's the beef?" ad slogan.

Wendy's remained the nation's sixth-largest restaurant chain in 1990, and the No. 4 hamburger/sandwich chain with a 7.8% share of category vs. 8.5% in 1989, according to *Nation's Restaurant News*.

Wendy's has avoided joining the rush to price discounting. It also kept its coupon expense to 1% of sales, compared with 3.2% in 1989. That explains in part its 78.9% decline in newspaper spending.

While shunning coupons, Wendy's didn't totally eschew price reductions. One cornerstone of its marketing has been promotion of the Super Value Menu, which prices seven basic items such as the Junior Bacon Cheeseburger, garden salad, baked potato, large-size french fries and soft drinks at 99¢.

Another key has been Senior Chairman R. David Thomas, who's proved to be a popular spokesman for the chain he founded in 1969. Last May, Mr. Thomas appeared in a TV spot for the Super Value Menu with Susan Lucci, star of the daytime drama "All My Children." It was his 75th commercial in a campaign that began in April 1989 and will continue indefinitely, the company says.

Advertising has also focused on Wendy's sandwich menu, which it augmented with a series of limited-time hamburger and chicken offerings including Dave's Deluxe burger and the Chicken Club, Chicken Parmesan and Chicken Cordon Bleu sandwiches. A Grilled Chicken sandwich was added permanently in September 1990.

Named for Mr. Thomas' daughter, Wendy's hasn't forgotten that 33% of fast-food sales are to families with children. The chain increased its ad spending targeted to children. For example, it bought $8.3 million in syndicated TV programming, more than a year earlier. Some of that spending came from its network TV budget, down 15.9%. Last month, Wendy's launched a national promotion touting its kids meal, priced at a permanently lowered $1.99.

Wendy's continues its strategy of assessing 2% of systemwide sales for national advertising and an additional 2% minimum for local advertising and marketing.

Wendy's international presence remains limited: At yearend, it had 291 units outside the U.S., all franchised except for 88 company-operated stores in Canada. The chain intends to revive its international growth, starting with the addition of at least 60 units in 1991.

A series of top management promotions announced early in 1991 moved James Near from president to chairman, a post vacant since the 1989 retirement of Robert L. Barney. Succeeding Mr. Near as president was Gordon Teter, formerly an exec VP. John Casey, previously an exec VP, was named to the new post of vice chairman.

HEADQUARTERS

Wendy's International/P.O. Box 256/4288 W. Dublin-Granville Rd./Dublin, Ohio 43017-0256/ Phone: (614) 764-3100.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Charles Rath, exec vp-mktg; Emil Brolick, vp-strategic planning/research; Don Calhoon, vp-corp mktg; Denny Lynch, vp-comms; Tom Hescamp, Ron Krause, Bill Long, Bob Stowe, brand mktg dirs.

Wendy's: Backer Spielvogel Bates Worldwide, Dublin, Ohio. Raymond S. Caruso, exec vp-gm.

Sales promo: Impact, Chicago. Tom Smart, acct dir.

Public relations: Hill & Knowlton, New York. Peter Fleischer, acct dir.

RANK: 87

Wm. Wrigley Jr. Co.

Chicago

Ad spending: $129.1 million

U.S. AD SPENDING ($ in thousands)

By media	1990	1989	% chg
Magazine	4,879	7,115	(31.4)
Sunday magazine	1,266	564	124.6
Outdoor	1,010	395	155.7
Network TV	42,394	54,263	(21.9)
Spot TV	31,498	27,137	16.1
Syndicated TV	23,295	12,203	90.9
Cable TV networks	10,223	8,040	27.1
Network radio	3,713	4,135	(10.2)
Spot radio	43	0	NA
Measured media	118,321	113,852	3.9
Unmeasured	10,800	10,400	3.8
Total	129,121	124,252	3.9
By top brands	**1990**	**1989**	**% chg**
Wrigley's gums	117,251	112,997	3.8

SALES & EARNINGS ($ in millions)

Worldwide	1990	1989	% chg
Sales	1,111	993	11.9
Earnings	117	106	10.2
U.S.	**1990**	**1989**	**% chg**
Sales	715	674	6.0
Operating profit	112	109	2.3

CORPORATE PROFILE

Wm. Wrigley Jr. Co. bolstered three of its four flagship brands with extra flavor, doubled ad spending and fresh positionings in 1990.

Wrigley protected its leading position with a 3.9% increase in media last year that paid off in an 11.9% increase in worldwide sales, to $1.1 billion. Wrigley's U.S. operations posted a 6% increase in sales, although analysts expect future growth to come from overseas.

In 1990, Wrigley began to actively market its products in eastern Europe, including Czechoslovakia, Hungary, Poland and Yugoslavia, and experienced volume growth in western Europe after political changes in Germany.

The company's No. 1 brand in dollar sales, sugar-free Extra, also was its most heavily advertised; spending was up nearly 15%, to $28.2 million. In 1991, the company added print ads to its "Lasts an Extra long time" campaign. Wrigley, which in 1989 added cinnamon and "winter fresh" flavors to the Extra line, this year is rolling out a new Classic Bubblegum flavor. Sugarless gums now account for nearly half of U.S. gum sales. By early 1990, Extra had moved past American Chicle Corp.'s Trident and RJR Nabisco's Care-Free to take over leadership in that market, with about a 45% share.

Wrigley took unusually aggressive marketing moves in 1990 for two of its other "classic" brands, Doublemint and Spearmint.

Doublemint's media budget doubled, to $27.5 million, as Wrigley and agency BBDO, Chicago, introduced a new campaign and tagline. Gone are the Doublemint twins and the "Double your pleasure, double your fun" jingle—although some elements of the gum's 30-year campaign remain. The new TV campaign uses a "No single gum" tagline and a host of double exposures—some sets of twins but other repeating images as well.

Beginning in November, Wrigley put all Spearmint media dollars behind its campaign positioning the gum as a smokers' alternative. TV and radio spots, print ads and billboards describe situations where smoking is banned or a problem—and offer Spearmint as an option. Wrigley spent $20.7 million spreading the Spearmint "Pure chewing satisfaction" message in 1990; Spearmint is the company's No. 2 brand in unit sales, behind Doublemint.

Wrigley has maintained a steady 48% to 50% share of the $1.4 billion U.S. gum business, followed by a 24%-25% share for American Chicle, a Warner-Lambert Co. unit, according to American Consulting Corp. Wrigley has six of the 10 biggest gum brands in the country, with Extra, Juicy Fruit, Doublemint, Spearmint, Freedent and Big Red.

HEADQUARTERS

Wm. Wrigley Jr. Co./410 N. Michigan Ave./Chicago, Ill. 60611/Phone: (312) 644-2121.

PERSONNEL, BRANDS, AGENCIES

CORPORATE: Douglas S. Barrie, grp vp-intl; Ronald O. Cox, grp vp-mktg; Anthony Cipollina, vp-sales; Gary Beebe, Susan Fox, asst vps-mktg.

Wrigley's gum: BBDO, Chicago. Tonise Paul, sr vp-mgmt super.

ANSUL PRODUCTS CO.: A.G. Atwater, pres.

Ansul products: Leo Burnett USA, Chicago. John Kovas, acct dir.

Methodology to Top 100 ranking

Rankings

The 100 Leading National Advertisers are selected from the 200 largest advertisers based on measured U.S. ad spending (see below) in calendar 1990. Companies spending at least $31.3 million (up from $29.5 million in 1989) in measured media make up this group of 200. Those companies are ranked by the sum of their measured and unmeasured expenditures. This report profiles the top 100.

Measured media & monitoring services

In this report, media advertising refers to ad expenditures in national consumer media that are monitored by LNA/Arbitron Multi-Media Service.

The media breakouts labeled "U.S. ad spending" at the beginning of each company profile were provided by LNA/Arbitron. References within the corporate profile to media spending in virtually all cases refer to numbers from LNA/Arbitron.

Media totals also are for calendar years 1990 and 1989.

Ten measured media

Magazine: Publishers Information Bureau monitors 174 consumer magazines, four of which are national Sunday magazines. Newspaper: LNA/Media Records measures and projects newspaper data to 125 markets for all categories except financial and retail ad spending, which are not projected and represent 41 and 36 markets, respectively. Sunday magazine: PIB measures four Sunday magazines. Media Records measures 34 and projects spending based on one-time open inch rates to 125 markets. Outdoor: LNA Outdoor measures poster and paint boards in more than 200 plant operator markets. Network TV: Arbitron records every minute of ABC, CBS and NBC network TV and calculates ad spending by applying program rates to each spot. Spot TV: Arbitron monitors TV stations in 75 markets, 17 of which are monitored daily, and 58 once a week. Syndicated TV: Arbitron gathers rates from advertisers and agencies and applies the rates to national spots bought by advertisers. Cable TV networks: Arbitron monitors the Family Channel, Cable News Networks, ESPN, MTV:Music Television; USA Network and Superstation WTBS around the clock. Estimated rates are applied to advertisers. Network radio: Arbitron monitors 17 radio networks. Spot radio: LNA compiles data from national stations' representative organizations, yielding spending for nearly 2,500 stations in more than 200 markets.

Unmeasured spending

Unmeasured spending figures are *Ad Age* estimates and include direct mail, promotion, co-op, couponing, catalogs, business and farm magazines and special events, to name a few. Corporate annual reports, 10-K forms, corporate sources and *Ad Age* reporters help compute this number. Unmeasured advertising does not include corporate overhead, overseas ad spending or most local ad spending.

Brand spending

Ad spending by top brands presented in tabular form at the top of each profile includes LNA/Arbitron's 10 measured media only. Brands listed in the tables must have spending greater than $5 million and be among the company's top 10 brands—the maximum listed.

Brand expenditures represent total spending by an LNA designated "tradename" within a PIB subclass.

For example, in the Philip Morris Cos. profile, "Kraft cheeses" and "Kraft salad dressings & mayonnaise" are listed as top brands, even though they both carry the "Kraft" name. The two are in separate PIB subclasses and are considered separate tradenames by LNA.

Personnel, brands, agencies

Following each corporate profile is a listing of personnel involved with various aspects of the company. Only the very top corporate executives involved in the marketing sequence are listed. The agency listed on the account includes only the point person on that account.

Sales and earnings

Worldwide, U.S. and division sales and earnings are taken from public documents. Within the profile, references to sales and earnings are generally for calendar reporting periods, because most companies are on such a reporting schedule. However, if a company reports on a fiscal basis, its yearend closing is indicated in the corporate profile.

While ad figures represent U.S. spending only, worldwide headquarters are listed because some large corporate advertisers include divisions which are not related in the U.S. Spending by Philips NV, for example, includes North American Philips Corp. and Polygram Records Corp.

Corporate composition

Parent company totals for advertising spending are pro forma for 1990 and 1989—and include 100% of the ad spending of companies they either acquired or agreed to acquire as of Aug. 1, 1991. Similarly, companies or divisions divested before Aug. 1, 1991 have been excluded. This procedure eliminated Continental Airlines Holdings from the Top 100 this year. The airline holding company, ranked No. 94 in last year's report, sold off Eastern Airlines early this year. Without Eastern, Continental's ad spending fell below the cutoff.

—*Kevin Brown*

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Top 25 magazine advertisers

Rank	Advertiser	Magazine spending 1990	1989	% chg
1	Philip Morris Cos.	$260.0	$281.5	(7.6)
2	General Motors Corp.	207.2	213.5	(3.0)
3	Ford Motor Co.	148.9	142.8	4.3
4	Procter & Gamble Co.	146.6	118.8	23.4
5	Chrysler Corp.	103.5	130.9	(20.9)
6	RJR Nabisco	78.8	132.8	(40.7)
7	Toyota Motor Corp.	77.9	53.2	46.5
8	Grand Metropolitan	76.7	69.4	10.5
9	Unilever NV	70.8	73.0	(2.9)
10	Nestle SA	69.4	77.8	(10.8)
11	Time Warner	67.6	60.1	12.5
12	AT&T Co.	64.1	71.1	(9.8)
13	Honda Motor Co.	61.3	56.7	8.2
14	American Brands	60.8	55.6	9.3
15	Kmart Corp.	56.3	35.6	55.6
16	Sony Corp.	53.2	51.5	3.4
17	Revlon Group	52.4	59.1	(11.4)
18	Nissan Motor Co.	50.2	31.3	60.0
19	Mazda Motor Corp.	48.5	39.1	24.2
20	Eastman Kodak Co.	44.3	45.7	(3.0)
21	Bristol-Myers Squibb Co.	42.0	44.2	(5.1)
22	Capital Cities/ABC	39.0	34.8	12.0
23	General Electric Co.	37.2	39.1	(4.8)
24	Allied-Lyons	36.1	37.2	(2.9)
25	CBS Inc.	35.8	34.0	5.2

Note: Dollars are in millions. Source: LNA/Arbitron. See Page 71 for methodology and other source information.
AA chart: Kevin Brown

Top spenders

(Continued from Page 1)

fell to second in spot TV despite a 7.5% increase in that medium.

Food and beverage marketers especially felt the effects of a sagging economy that touched virtually all spending. Of the 24 major food advertisers among the Top 100, 16 cut ad spending in 1990 while aggregate ad spending remained flat at $11 billion.

"Less," whether in calories or cholesterol, also steered food and drink trends in 1990. Philip Morris' Kraft General Foods introduced fat-free products ranging from cheese to salad dressing to mayonnaise. No. 38 Sara Lee Corp. brought out light sausages and franks, and No. 31 Ralston Purina Co. lightened its Hostess Twinkies.

Making many of those entries possible were fat and sugar substitutes such as Simplesse and NutraSweet from No. 100 Monsanto Co., a new entry to the list. Thompson Medical Co./Slim-Fast Food Co. vaulted from No. 125 a year ago to No. 85 on the basis of heavy advertising for the Ultra Slim-Fast line—now billed as a meal replacement rather than an appetite suppressant.

With health benefits gaining such marketing cachet, companies were bound to run into regulatory woes. No. 14 Nestle SA, anticipating industrywide scrutiny from the FDA, took the "fresh" off its Contadina label. P&G eliminated "fresh" from Citrus Hill after a product seizure by the feds; P&G eliminated "no cholesterol" on the Crisco label; Philip Morris removed percentage fat-free labels.

Changing eating habits and the recession spurred the nation's fast-food chains to respond with a panoply of new treats, including the much ballyhooed McLean Deluxe burger at No. 8 McDonald's Corp.; value menus became common at most of the big chains.

The 12 retailers in the Top 100, struggling through the year, increased ad spending only 3.7% to $4.7 billion. Five spent fewer ad dollars in 1990 than in 1989. Wal-Mart Stores, No. 70, passed No. 9 Kmart Corp. and Sears in total sales even though Sears' Merchandising division outspent by almost nine times Wal-Mart's largely vendor-funded ad total.

Indications are that 100 Leaders' spending in 1991 will continue to be mixed. Even auto advertising slowed to a modest 6.6% growth in first quarter '91 among the 29 leading auto brands. The 10 auto companies among the Top 100 spent a relatively robust $4.6 billion in advertising in 1990, up 11.8%.

Amid the sluggish spending is speculation that Philip Morris, generating $18 billion in cash flow over the next five years, is primed to invest in a major international food company, perhaps making P&G's return to the top short-lived. □

Top 25 newspaper advertisers

Rank	Advertiser	Newspaper spending 1990	1989	% chg
1	May Department Stores Co.	$218.2	$208.2	4.8
2	R.H. Macy & Co.	160.1	183.6	(12.8)
3	Sears, Roebuck & Co.	135.8	154.9	(11.7)
4	Federated Department Stores	134.5	144.0	(6.6)
5	Dayton Hudson Corp.	106.2	107.5	(1.2)
6	Montgomery Ward & Co.	82.1	67.2	22.1
7	Kmart Corp.	80.1	58.6	36.7
8	Carter Hawley Hale Stores	72.8	66.9	8.9
9	J.C. Penney Co.	70.6	81.4	(13.2)
10	American Stores Co.	69.6	81.9	(15.1)
11	AMR Corp.	60.7	41.0	48.1
12	Highland Superstores	49.0	36.2	35.3
13	General Motors Corp.	46.6	55.7	(16.3)
14	Time Warner	46.2	43.1	7.2
15	AT&T Co.	43.8	39.7	10.2
16	Tengleman Group	42.8	20.9	104.3
17	Circuit City Stores	41.3	37.6	9.7
18	Tandy Corp.	40.5	37.6	7.7
19	Woodward & Lothrop	38.1	39.8	(4.2)
20	Walt Disney Co.	36.7	24.6	49.1
21	Sony Corp.	36.1	30.3	19.3
22	Matsushita Electric Industrial Co.	33.0	28.9	14.2
23	Delta Air Lines	32.9	28.5	15.5
24	Dillard Department Stores	32.9	30.3	8.6
25	Ahold International	31.0	27.6	12.2

Note: Dollars are in millions. Source: LNA/Arbitron. See Page 71 for methodology and other source information.
AA chart: Kevin Brown

The Cleveland/Pittsburgh advertising region of The Wall Street Journal delivers subscribers with an average household income of $135,000. 81% with HHI $50,000 or more. 85% in top or middle management positions. At rates competitive with the Cleveland Plain Dealer or the Pittsburgh Post-Gazette/Press. For details, call your Journal representative.

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It's no wonder that companies like AT&T, Chevrolet, Hershey, HFC, Kodak, Kraft General Foods, Nike, Pentax, and Prudential Insurance have participated in one of the most powerful marketing tools in America today. *Some major product categories still available.*

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Advertising Age

September 30, 1991

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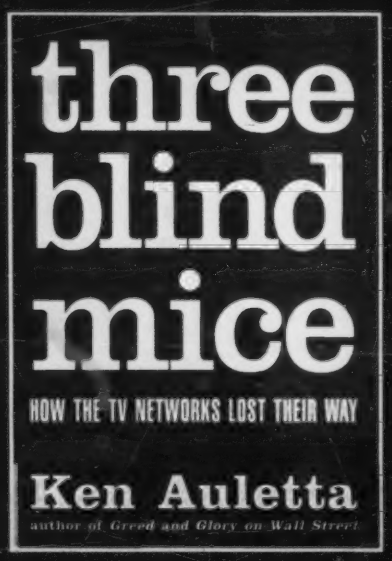
CAT AND MOUSE

How network TV, advertisers and agencies played a high-stakes game



For network TV, 1987 was a pivotal year. Prices were rising at a double-digit pace, higher and faster than in any other advertising medium, yet network audiences were eroding. During the summer, when advance, upfront sales are made for the TV programming season starting in the fall, advertisers and their agency negotiators for the first time began to talk about a "market correction."

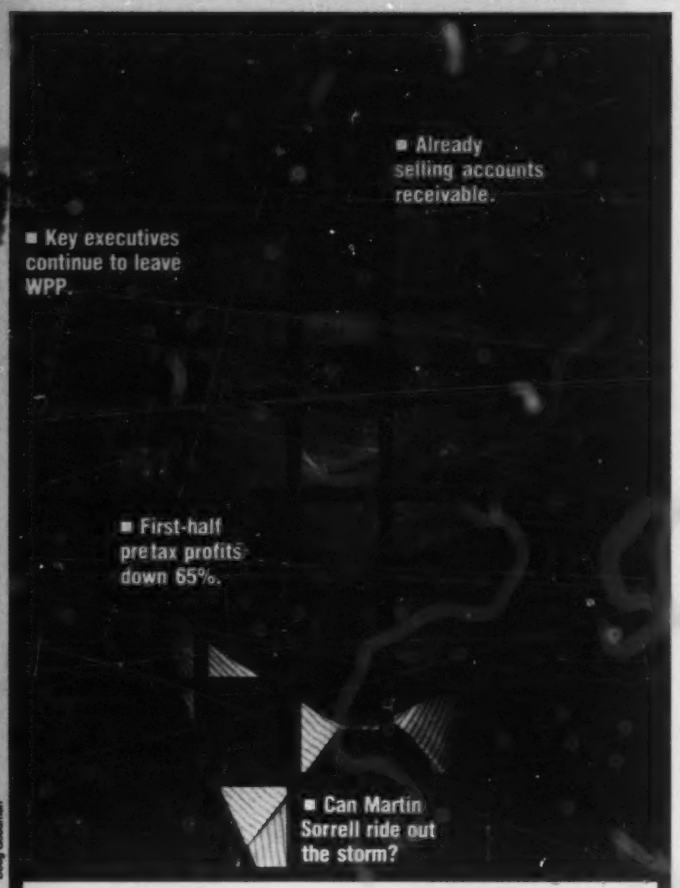
But a correction didn't occur until this year—four years late. And then it was recession-induced. Ken Auletta's hot new book, "Three Blind Mice," provides a front-row seat to what happened during that pivotal, high-powered summer of '87.

In 1980, $5.1 billion of the $81 billion spent on marketing products in the U.S. was spent on the three television networks. By 1987, the total monies available for marketing doubled, but so did the promotional budgets. And though network advertising rose to just under $9 billion, its relative share of the total was declining.

All of which lent a sense of urgency to the 1987 network upfront sales effort. By June 17, 1987, Jake Keever [sales VP at ABC-TV] was able to distill his meetings and consultations into a three-page, single-spaced strategy memorandum. . . . Central to ABC's strategy was its intentions

(Continued on Page 34)

FORUM: Dangers of the media revolution—See Page 18.


■ Already selling accounts receivable.
■ Key executives continue to leave WPP.
■ First-half pretax profits down 65%.
■ Can Martin Sorrell ride out the storm?

Doug Goodman

Sorrell's WPP empire under strain

By Laurel Wentz

LONDON—Maybe Martin Sorrell should have stuck to making wire shopping baskets.

Unlike his global communications empire, the small shopping basket company, acquired by Mr. Sorrell in 1986 as the foundation of his WPP Group, is doing just fine.

The same can't be said for WPP itself.

Last week, another key communications executive, Robert Dilenschneider, the president-ceo of WPP's Hill & Knowlton public relations unit, departed.

The 47-year-old Mr. Dilenschneider was replaced at New York-based Hill & Knowlton by Thomas Eidson, 47, its worldwide chief operating officer.

A source close to the situation said Mr. Dilenschneider this week will be negotiating with WPP over benefits and payments; the possibility exists that Mr. Dilenschneider could end up starting arbitration proceedings against the company.

"I didn't resign," Mr. Dilenschneider emphasized last week.

Four former Ogilvy & Mather Worldwide executives have claims pending against WPP, and a WPP executive in London who left in March has a hearing before a U.K. industrial tribunal scheduled for late October concerning his allegation of unfair dismissal.

"I'm just one in a line" who have been fired, Mr. Dilenschneider said.

Even before that event, the financial community here, and Mr. Sorrell's own operating companies, had been watching closely to see whether his $1 billion refinancing of WPP in April would be enough to ride

(Continued on Page 50)

Detroit fights back to regain share

Ford, Chrysler plan big hikes in ad $

By Raymond Serafin

Ford Motor Co. and Chrysler Corp. plan to increase ad spending in 1992, trying to reclaim market share lost to Japanese rivals that spent aggressively in 1991 despite the economic downturn.

Ford's automotive division budgets could climb as much as 20%, though those figures haven't been firmed up, sources say. Ford is spending an estimated $340 million in 1991 and Lincoln-Mercury an estimated $115 million.

Alex Trotman, Ford exec VP-North American Automotive Operations, signaled the potential boosts in a recent interview when he acknowledged Japanese automakers had increased the marketing pressure.

"I think we probably right now are underspending," Mr. Trotman said. "I haven't made any decisions as to what we might do about that, but it's something that could change very rapidly. We might decide we'd better turn up the heat somewhat. . . . We watch the [competitive] data all the time, and we may well make a change over the next few months."

"Given the kind of year we've had and the pressure on the industry, everybody's got to make a strong business case to generate more dollars."

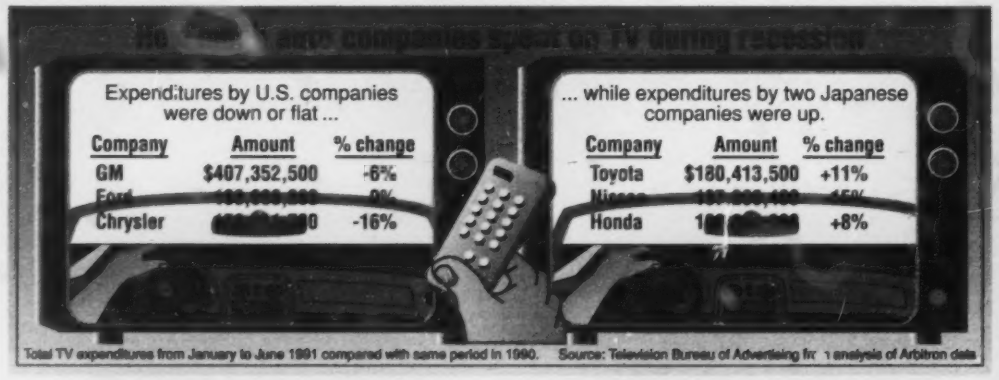
Chrysler has already added an estimated $40 million to $50 million to fourth-quarter ad spending (AA, Aug. 26). Sources peg Chrysler ad budget increases for 1992 at 20% over this year's $550 million level, largely to back the launch of the new Jeep Grand Cherokee during the Winter Olympics broadcasts on CBS-TV and next fall's launch of three key new midsize models under the company's so-called LH program.

"Chrysler has really made up its mind that it has to support its new products across the board," an agency source said.

Marketing executives at General Motors Corp. are still debating 1992 budgets, with a corporate decision on marketing plans not expected until later this year.

"Given the kind of year we've had and the pressure on the industry, everybody's got to make a strong business case to generate more dollars," said Jeff Hurlbert, general marketing manager at

(Continued on Page 51)


Expenditures by U.S. companies were down or flat ...
Company Amount % change
GM $407,352,500 -6%
Chrysler -16%
... while expenditures by two Japanese companies were up.
Company Amount % change
Toyota $180,413,500 +11%
Honda +8%
Total TV expenditures from January to June 1991 compared with same period in 1990. Source: Television Bureau of Advertising

JOHN SMITHER

Coke/CAA draws flak

Agent charges conflict of interest, unfair business

By Cleveland Horton

A lone voice in Hollywood is taking on the biggest and most influential talent agency in the nation.

The Charles H. Stern Agency, a talent shop specializing in placing celebrities in commercials, has begun a campaign to challenge Michael Ovitz's Creative Artists Agency and its recent alignment with Coca-Cola Co.

Charles Stern, president of the 30-year-old agency, has been visiting state and union officials to point out possible conflict of interest, unfair business practices and restraint of trade issues.

Further, Mr. Stern said his agency has retained a law firm to research the legal issues surrounding the Creative Artists/-Coca-Cola deal. He wouldn't identify the firm, however.

"How is it possible to represent talent, with his list of 650 clients, and represent the best interest of the employer?" Mr. Stern asked. 'How can he get both the best person and the best price?" Mr. Ovitz is chairman of Creative Artists.

Early this month, Coca-Cola named Creative Artists "worldwide media and communications consultant," charged with developing "global strategies for marketing, promotion, new technologies, sports, arts and entertainment."

Any charges of conflict of interest were dismissed without merit by a Creative Artists spokesman.

"The relationship (between Creative Artists and Coke) is not about talent and commercials," he said. "We've made it clear from the get-go that that's not what it's about. This is about global strategy. This has nothing to do with talent."

Mr. Stern met with California Acting Labor Commissioner

(Continued on Page 50)

LAST MINUTE NEWS

Baby Bells bill looms

WASHINGTON—U.S. Rep. Jim Cooper (D., Tenn.) is expected to introduce, perhaps as early as this week, legislation that would keep the Baby Bells out of the information services business until "effective competition" exists in the industry. The definition of effective competition was still being worked on, an aide said. The newspaper industry opposes the Bells' entry into information services. U.S. District Judge Harold Greene in July ruled the Bells, banned from information services following the 1984 breakup of AT&T, should be allowed to enter the business.

Steiger opposes FDA, ad link

WASHINGTON—Federal Trade Commission Chairman Janet Steiger said she opposes legislation that would extend the Food & Drug Administration's regulations over food labeling to food advertising. In a letter to U.S. Sen. Slade Gorton (R., Wash.), Ms. Steiger said regulation of advertising and labeling should be based on different standards because advertising is intended to attract consumer attention while labeling's purpose is to provide information.

BBDO to go it alone in Moscow

MOSCOW—BBDO Marketing bought out its partners Vneshtorgizdat, a foreign trade organization, and German-owned publisher Burda Verlag, and is applying to the Russian Republic to register as a wholly owned BBDO subsidiary. General Director Bruce

(Continued on Page 8)

INSIDE

Never mind: Bob Garfield eats crow over original Wendy's review. **Page 52.**

Rerun: Seven-Up calls up the old "uncola" slogan. **Page 4.**

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A MAGAZINE

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?

The Atlantic
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INTERVENTIONISM VS. MINDING OUR OWN BUSINESS
Charting a new American foreign policy
by Alan Tonelson
WAS THE GULF WAR IN THE NATIONAL INTEREST?
YES, by Joseph S. Nye, Jr.
NO, by Christopher Layne
The Atlantic
WAITING FOR THE WEEKEND
THE INVENTION OF A MODERN INSTITUTION

A magazine for the educated lifestyle

NEWS SUMMARY

■ **Robert Dilenschneider's** exit as head of Hill & Knowlton comes amid financial pressure on parent WPP Group. ... **1**

■ **Charles H. Stern,** whose agency specializes in placing celebrities in commercials, is challenging the propriety of the Creative Artists Agency alignment with Coca-Cola Co. **1**

■ **Ford and Chrysler** plan increased ad spending to reclaim market share lost to Japanese automakers. **1**

■ **Unilever U.S.,** aided by the success of Lever 2000, has taken the lead in the the U.S. bar soap market. **3**

■ **TV ratings** during premiere week for the Big 3 networks fell 6% from opening week a year ago. **3**

■ **S.C. Johnson & Son** is packaging its new Agree+ in an Enviro Pouch dispenser to reduce packaging waste. **3**

■ **Seven-Up Co.** says it will bring back its "uncola" theme in advertising next year. **4**

■ **U.S. Bureau of Alcohol,** Tobacco & Firearms ordered Miller and Heileman to stop "alcohol strength" claims. **4**

■ **E&J Gallo Winery** reportedly selected the Deutsch agency for its Eden Roc sparkling wine. **4**

■ **FTC Chairman** Janet Steiger is expected to endorse proposals to develop environmental marketing guidelines. **4**

■ **Chinese government** may soon approve the opening of offices for O&M, DDB Needham and BBDO. **30**

■ **Michael Golden** was promoted to senior VP-general manager of the women's publishing division of The New York Times Co. Magazine Group. **37**

■ **Warner Bros.** is opening retail stores to sell items based on its movies and TV series as well as the Looney Tunes and D.C. Comics characters. **38**

■ **Yellow Pages** publishers are looking at audiotex and other technologies as ways to increase revenues. **39**

■ **Fast-food marketers** are pulling back on concepts that were to be part of their growth strategies. **42**

■ **'Bride's'** is being renamed *Bride's & Your New Home* to extend the magazine's relevance to newlyweds. **43**

■ **Democratic presidential candidates** Sen. Tom Harkin and Gov. L. Douglas Wilder are said to be generally friendly toward advertising. **44**

■ **Ketchum Communications** named Paul H. Alvarez president-ceo, effective at the end of the year. **45**

■ **Gillette** plans line extensions for its Sensor brand, including a shaving system for women. **46**

■ **Ameritech** has become the first of the regional Bell companies to offer an affinity credit card. **46**

■ **Coca-Cola Co.** is broadening its Olympic Games involvement with sponsorship of CNN's planned weekly Olympic-themed show to air globally. **52**

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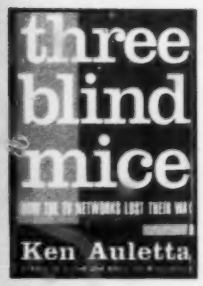
Cat and mouse: High-stakes game

(Continued from Cover)

to follow the leader—NBC. Or, as NBC's own internal strategy memorandum—which called for a 6% unit price increase—correctly anticipated:

"The competition is facing the same pattern of program cost increases. If they are smart, they will hang back to see what NBC does, let NBC take the heat for price increases, then adopt the same strategy and tuck in behind us. . . . We believe this is a year to go for unit price increases rather than volume, although a minimum upfront sales volume of 50% is essential as a sales 'base.' "



Day after day went by in June 1987, with Keever and members of his sales force relaying rumors, meeting most mornings, passing on information about whether the ad agency or the advertiser insisted on guarantees, whether they would forego them for the right price, whether they wanted to be among the first to take the plunge or wait.

The advertisers' perspective was a little different. Some ad agencies looked at the networks and saw weakness. Irwin Gotlieb, senior VP at D'Arcy Masius Benton & Bowles, saw the networks in decline. All of Gotlieb's data—about how much each network sells each quarter and to whom, about how much is sold upfront, the average cost per thousand, the number of 15-, 30- and 60-second spots sold—are computerized by network. From the vast data at his fingertips he concluded that the network upfront was no longer crucial to advertisers.

"My office used to be called 'Network Programming.' It isn't anymore," he said. "It is now called 'National Broadcast.' So in some respects what we do with the networks is tactical, not strategic. . . ."

Despite the erosion of the network advertising dollar and audience share, the Big 3 still retained enormous clout. Pete Tyrrell of Johnson & Johnson, who spent $160 million in network television, making J&J one of the top 10 network advertisers, saw the Big 3 differently than Gotlieb did.

"One thing I know for sure, the networks always have more information than I have," he said on June 16, on the eve of the 1987 upfront. "That's the leverage—intelligence." The network sales team had access to 100 ad agencies. Unlike Irwin Gotlieb, Pete Tyrrell saw only network power. . . .

He was determined to cut the best deal he could, and toward this end he conducted eight strategy meetings with J&J's five ad agencies, including their principal agency for the networks, Young & Rubicam. Over lunch . . . Tyrrell outlined J&J's upfront strategy: "We'll go to NBC first with a big number"—$60 million. "We'll probably go to NBC early. We'll let them think they're getting J&J out of the way early. We're thinking that if we make an early deal we get the best inventory and we do it before they get too cocky." Tyrrell was prepared to throw them a bone. "NBC daytime sucks," he said. "Two years ago we closed them out of daytime. If we give them $10 million in daytime, that's a big favor. In return, they give us some benefits in prime time and in 'Nightly News.' "

Once he had locked up a deal with NBC, Tyrrell said, "we go to the other two networks and offer them all our remaining money, or part of it, and threaten them with a two-network buy." . . . That is precisely what Tyrrell did to No. 1 ABC in 1977—shut it out after ABC demanded prices he found unreasonable. . . .

The upfront market broke for ABC early in the week of July 6, only hours after NBC cut its initial deals. By the time Keever lunched on Tuesday with top executives of J. Walter Thompson, which ranked fourth in broadcast spending among all ad agencies, he was determined to impress on them that ABC had already sold $145 million in ads. . . . The next morning Keever met with the fifth largest ad agency, BBDO, to spread the same message. . . . "The more orders you write," observed Keever, "the more people feel comfortable with the marketplace."

All through that week on Keever's 36th floor, hollow-eyed account executives sat behind closed office doors, huddled with ad agency representatives or bent over phones negotiating deals or whispering of other deals already made, warning that the ABC rate card might rise. Bedlam ruled the corridors as nervous agency honchos waited outside the suite of offices shared by Keever and his deputy, John Tiedemann, and one by one were taken inside, like patients being wheeled into surgery.

It turned out to be a much stronger upfront than anticipated. The three networks wrote over $3 billion for prime-time ads in three to four working days, not the usual two weeks, a record. ABC had planned to sell only $850 million and wound up selling $985 million upfront. In all, ABC sold 90% of its entire year's prime-time inventory in the upfront market. . . .

Prime-time upfront sales at the other two networks were equally robust in 1987. CBS sold about $900 million and NBC $1.2 billion. And each network got price increases—5% per unit in ABC's case, even though ratings for the 1986-87 year had dropped 12% in prime time. By contrast, NBC's ad rate jumped by about 10% and CBS' by less than 5%.

But why should a network sell more ads even when its audience declines, as ABC's did? . . . The demand was greater for network time than the supply. But why would demand be up? One explanation is that advertisers still needed the networks' mass audiences for their new products, even if the audience had eroded. A second explanation is that the ad agencies were even more anxious than the networks about the new [Nielsen] people meters and sought the security of the minimum audience guarantees offered upfront rather than risk higher prices in the scatter market.

A third explanation is that since 1988 would be cluttered with ads for both the Olympic Games and a presidential contest, advertisers chose to beat the clutter by pouring more resources into 1987.

Another explanation is that since all three networks held out for price increases and none folded, advertisers could not play one off against the other, as Pete Tyrrell hoped to do for J&J. Finally, there was panic. As ABC's Ray Warren explained: "It's when Benton & Bowles hears that Y&R is doing business and everybody says, 'What did they think of that we did not think of?' "

Jake Keever chose not to gloat, but Pete Tyrrell was willing to complain. "It happened just as we said it would. . . . They got all the lemmings lined up and convinced them it was a good thing to cross the river. And all of them drowned." □

Dealing with panic

Helping to induce this panic [by advertisers during the upfront buying frenzy] was part of [ABC Sales VP] Ray Warren's job. The bearded Warren had played the game from both sides, having worked at Benton & Bowles. Although he was now the seller, he acted like a buyer. Late that night he telephoned one of his agency customers at home. The customer was willing to spend $12 million upfront, and since the client was a public utility it wanted its spots in a serious setting and chose "20/20." But the price was high.

"The price is $9.68 per thousand," Warren said into the speaker phone. "We did everything we could to get the number down to $9.50, but couldn't . . . Are you happy?"

"I'm getting happy," answered the account executive. "How can we move this a little bit more? The $9.68 is still a tad high."

"We'll split the difference—$9.59."

"How about $9.55?"

"I'm really not going to get below a 13% increase, which is $9.58," said Warren. "Maybe I can shave a nickel off by dropping ads from a better to a weaker show. What if we knock off a few 'Hoopermans' and 'Slap Maxwells' and move them to the Monday movie and 'Ohara'? "

Deal.

After the account executive hung up, Warren said his real bottom line was $9.22 per thousand.

—Ken Auletta

These are excerpts from the book, "Three Blind Mice," by Ken Auletta. Copyright 1991 by Ken Auletta. Reprinted with the permission of Random House.

'Beverly Hills' top of class

By Janice Kelly

Cover Story is a monthly ranking of celebrities' popularity as reflected by their appearance on the covers of more than 30 of the nation's leading publications.

MEDIA WORKS

September issues brought TV stars to the fore as the fall season began.

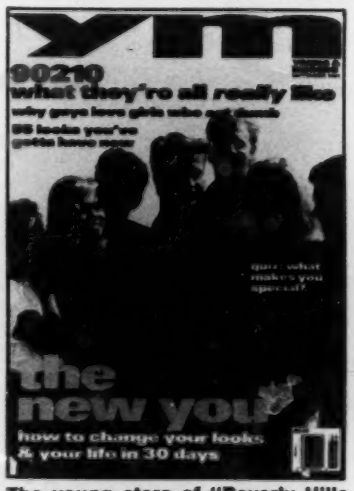
Topping the list was the **cast of "Beverly Hills 90210,"** riding high on publicity from the hit Fox series.

The newest brat-pack—including actors Jason Priestley, Shannen Doherty and Luke Perry—earned 7.5 points from appearances on magazines including *Entertainment Weekly*, which called the show "TV's hottest number," and *US*, which touted "TV's hottest high school."

Seventeen said it was readers' favorite; *YM* profiled the actors to show "what they're all really like."

The show is so popular that Welsh Publishing Group next month plans to launch a quarterly magazine based on the series.

COVER STORY



The young stars of "Beverly Hills 90210" are the hottest ticket in town.

Cover Story assigns point values to cover appearances based on such factors as prominence of the photo and frequency of the publication.

Close behind in a second-place tie at 6 points were actress **Demi Moore** and **Princess Diana.** Ms. Moore won attention with the birth of her second child with husband Bruce Willis. Controversy surrounded Ms. Moore's appearance, pregnant and nude, on the August cover of *Vanity Fair.*

Stories about Princess Diana focused on a friend's death from AIDS.

Fourth place was a six-way tie at 5 points. **Bruce Willis** appeared on the cover of *Spy* in a parody of his wife's photo on *Vanity Fair*; **Barbra Streisand** and **Nick Nolte** teamed for the upcoming movie "Prince of Tides"; actress **Ann Jillian** announced she's pregnant; and talk show hosts **Kathie Lee Gifford** and **Regis Philbin** hosted the Miss America competition.

Tenth place went to **Loni Anderson** and **Burt Reynolds**, with stories on their marriage and family earning 4.5 points.

Among other celebrities on September's newsstands were Delta Burke, Kirstie Alley, Betty White, La Toya Jackson, Suzanne Somers, Patrick Duffy, James Garner, Redd Foxx, Mark Harmon and Robert Guillaume, each with 4 points. Several star in TV shows premiering this season. □

Joe Mandese coordinates MediaWorks.

Networks have least non-program clutter

Minutes per hour for prime time, Nov. 12-18, 1990

	Nat'l & local paid spots	Nat'l promos	Local promos	Other*	Total
ABC, CBS, NBC (average)	9:00	2:00	:32	1:03	12:35
Fox	10:50	1:19	1:05	1:02	14:16
Independents	11:37	:06	1:25	1:25	14:33
Cable (5-network avg.)	10:58	1:43	:00	1:09	13:50

* Includes billboards, PSAs, bumpers/separators, credits, station IDs and trailers.
Cable stations are CNN, ESPN, The Family Channel, USA and WTBS.
Source: Network Television Association

KIMBERLY MART

Nets show lowest clutter

NEW YORK—Network TV clutter is on the rise, but the Big 3 networks are still the least cluttered of all TV outlets, according to a new study by the Network Television Association.

The analysis of all non-programming time—including paid commercials, station and network promotions, billboards, public service announcements and station IDs—found the Big 3 averaged only 12 minutes and 35 seconds of non-programming time per prime-time hour. That compared with 14 minutes, 33 seconds for independent stations.

"In terms of paid commercialization, network programming only had 9 minutes of national and local commercials. All other venues studied were all around 11 minutes or above," said association President Peter Chrisanthopoulos.

The study is based on an analysis of data from Arbitron's Broadcast Advertisers Reports. □

GM divisions stake out territory for truck battle

By Raymond Serafin and John P. Cortez

General Motors Corp.'s Chevrolet and GMC Truck divisions are positioning themselves to fight the expected Japanese entries into the full-size pickup truck market.

Both divisions have revamped advertising for their full-size pickup trucks for the 1992 model year, staking out positions for the looming battle. GM officials expect Toyota Motor Sales USA and possibly American Isuzu Motors, Nissan Motor Corp. USA and Mazda Motor of America will join the fray by 1993.

Full-size pickups are a $20 billion-a-year segment, according to *Automotive News*.

Chevrolet's new campaign uses the Bob Seger song "Like a Rock" and visuals of workers using their trucks to underscore the vehicles' dependability and durability.

GMC is introducing a new theme line, "The strength of experience," using its 89-year-old heritage as a way to similarly emphasize reliability and durability.

Research showed import truck owners list dependability as their No. 1 reason for purchase, said Jeff Hurlbert, Chevrolet general marketing manager.

"If you look at how you blunt a competitive move by the Japanese, you talk about quality—dependable, long-lasting products," he said.

The focus on the coming Japanese competition means a truce in the Chevy/Ford comparative ad wars, Mr. Hurlbert said. In 1990, Ford Motor Co.'s Ford Division led the full-size pickup segment with a 42% share, followed by Chevrolet at 39.2% and GMC at 11.4%.

The Seger music is used in at least nine TV spots for Chevrolet, including a 60-second commercial breaking Oct. 2 on the "Country Music Awards Show" on CBS.

"The lyrics really align themselves with the characteristics of the truck, as well as the people who own and use the trucks," said William Ludwig, exec VP in charge of Chevrolet creative at Lintas:Campbell-Ewald, Warren, Mich.

The new advertising is "the most researched truck advertising campaign in Chevrolet history," said J.C. "Jim" Perkins, Chevrolet general manager.

The 5-year-old "Heartbeat of America" theme appears only in a visual tag at the end of the spots, though it's retained in Chevrolet car advertising.

Voice-overs emphasize attributes such as the fact that 98% of Chevy trucks sold in the past 10 years are still on the road.

Each spot closes with the voice-over saying, "Chevrolet. The trucks you can depend on. The trucks that last."

Chevy's new spots use Bob Seger's "Like a Rock."

The commercials were directed by Jim Minera of Michael/Daniel Associates, Santa Monica, Calif.

Mr. Hurlbert said trucks and regional ad efforts would get proportionately more of the division's 1992 ad budget. It's estimated 1991 ad spending will be about $380 million, broken down as about $140 million for cars, $100 million for trucks, $75 million for regional efforts controlled by four area marketing managers and $65 million for Geo.

GMC Truck is doubling its 1992 ad spending to an estimated $70 million to support its five launches and the rest of its 1992 models.

Five TV :30s break Oct. 8, via McCann/SAS, Troy, Mich.

The spots reflect traditional American values, said Lewis B. Campbell, VP-general manager of GMC Truck. They show b&w stills of people using old GMC trucks, followed by a collage of shots featuring GMC trucks in dependable roles.

The spots will run on network cable, said Candace Robbins, McCann/SAS general manager.

A heavy print campaign will also tout specific products; about 30% of total spending will go to print.

This is the first major campaign since McCann/-SAS was formed a year ago when McCann-Erickson Worldwide, which handled GMC's image advertising, bought out Competitive Edge's Detroit and Boston offices, which handled GMC's regional and dealer support groups.

"We have our own captive ad agency that we intend to use in a broader sense than the traditional agency," Mr. Campbell said. "Whether it's teaching a salesman how to sell our products or designing show exhibits, there aren't many things that relate to our dealers, products or customers that [McCann/SAS] shouldn't be able to handle for us." □

Taxing ideas: One down and one to go

By Steven W. Colford

WASHINGTON—A congressional task force, after several months of deliberations, has decided not to propose a national tax on advertising as a way to pay for publicly financed elections.

The long odds of winning such a fight, coupled with the economic doldrums already besetting the industry, made it "very unlikely" coming legislation would include an ad tax, said Perry Pockros, the task force staff director.

The seven-member group, formed in February to develop sweeping legislation to change federal election practices, is expected to unveil proposals as early as this week or next.

"The ad tax will not be part of the bill, I can almost definitely say," Mr. Pockros said. "There is only an outside chance that it will get back in.

"There was general concern that an ad tax would not be the way to go on this, that it was too far afield to go and that it would involve too much criticism."

U.S. Rep. Sam Gejdenson (D., Conn.), the task force's chairman, in June told a congressional committee that a 0.25% tax on media advertising, to be collected by broadcasters and publishers, was under consideration.

There were a "handful" of meetings between Rep. Gejdenson and industry lobbyists, Mr. Pockros said.

"In general, we agreed that in a recessionary framework that this kind of a burden would be harmful for the economy, especially for a mechanism that is a spur to product development," he said.

Mr. Pockros said task force members are still interested in the concept of an ad tax. "Rep. Gejdenson was in favor of it," he said.

The ad industry also appears to have escaped a second tax threat, though that could change this week.

The House Ways & Means Committee slated an Oct. 2 hearing on legislation to require amortization of the value of intangible assets and good will purchased by businesses over 14 years.

Industry observers had feared the legislation would include advertising. But fortunately for the industry, Rep. Dan Rostenkowski (D., Ill.), the committee's chairman and the bill's sponsor, isn't in favor of changing advertising's current status as a fully deductible business expense.

However, it's expected there might be an attempt to include advertising.

"I think someone is bound to raise the issue of created intangibles, such as advertising," said Jim Davidson, a lobbyist for the advertising and media industries. "We know the chairman and staff are committed to not including it. . . . Our exposure will be if someone wants to change the bill."

That someone might be Rep. Richard Schulze (R., Pa.), a committee member and longtime advocate of changing advertising's fully deductible status.

A spokesman for Rep. Schulze said he's "sure" advertising's exclusion from the bill would be raised during the hearing.

"There is a natural link between an examination of intangibles and the writing off of them and the deductibility of advertising," the spokesman said.

Further pressure could come from the General Accounting Office, which recently issued a report on tax policy recommending intangibles such as advertising be amortized, Mr. Davidson said. □

Cars

(Continued from Page 1)

GM's Chevrolet division.

Through September 1991, Detroit auto marketers had 70.2% of the combined car and light-truck market, down 1.6 points from the same period last year. On the other hand, Japanese brands increased their share by 2.1 points to 25.9%, according to *Automotive News*. Each automotive market share point represents about $2 billion in annual sales.

U.S. auto marketers, especially GM and Chrysler, reined in their ad spending during the first half of recession-plagued 1991, opening the door for their Japanese rivals to steal market share.

Toyota and Honda led the aggressive marketing push that capitalized on the opportunity.

Of all the auto companies, the only ones to boost TV ad spending in the first half of 1991 were Toyota, Honda and Isuzu, said Jim Joyella, president of the Television Bureau of Advertising, which just released its report on network and spot TV ad spending.

Although reports from other media aren't available yet, TV spending typically accounts for about half of a major auto marketer's total ad spending.

The correlation between ad spending and market share highlights an important difference in competitive approaches between U.S. and Japanese companies.

Domestic marketers, responding to pressures for quarterly earnings, have historically tended to trim spending in marketing and even product development in an effort to stay in the black. Japanese companies have traditionally taken a longer view of the competitive battle.

"We look further out," said Ren Rooney, Toyota's corporate marketing manager. "We had a strategy that we set out early, and we like to keep a course when we decide on it."

The Japanese-based auto marketers "see their share in a growing position; they have a lot of new products and they have the means to support it from a marketing standpoint," said Philip Guarascio, GM's executive-in-charge, corporate marketing and advertising. "They believe in advertising, and they certainly have a willingness to invest and spend against their products."

Industrywide TV ad spending fell 9% to $1.375 billion in the first half of 1991, TvB said. First-half TV spending numbers, compared with the same period a year ago, for U.S. and Japanese companies: GM, $407 million, down 6%; Ford, flat at $198 million; Toyota Motor Sales USA, up 11% to $180 million; Chrysler, down 16% to $158 million; Nissan Motor Corp. USA, off 15% to $107 million; and American Honda Motor Co., $100 million, up 8%.

The Japanese-based auto marketers "see their share in a growing position, they have a lot of new products and they have the means to support it from a marketing standpoint."

Also, Mazda Motor of America, down 12% to $61 million; Mitsubishi Motor Sales of America, down 18% to $34 million; American Isuzu Motors, up 3% to $25 million; and Subaru of America, off 38% to $20 million.

Mazda and Subaru each were holding back substantial funds for major second-half product launches.

Market shares for the first half were GM, 35.5%, down 0.4 points; Ford, 22.9%, down 1.1; Chrysler, flat at 12.4%; Toyota, 7.7%, up 0.6; Honda, 6.5%, up 0.5; Nissan, 4.4%, up 0.1; Mazda, 2.9%, up 0.4; Mitsubishi, flat at 1.6%; Subaru, 0.9%, up 0.2; and Isuzu, 0.9%, up 0.1.

Chrysler President Robert Lutz, interviewed last month, acknowledged Japanese marketers were "buying share."

"The incentive levels, dealer cash levels and per-unit advertising, I think, are all at record highs for Japanese brands," Mr. Lutz said.

But he said it's possible to win back share, pointing out that Ford dropped to 16% of the market during the recession of the early '80s but rebounded to more than 20%.

"In a downturn, you cannot permit all your share to erode, because you'll start losing dealers and you'll never get it back. On the other hand, you can't buy share at all costs," Mr. Lutz said. "You've got to find the right balance."

Plans to boost 1992 model-year spending as much as 20% from an estimated $50 million in 1991 at Nissan's Infiniti division illustrate how Japanese auto marketers map out their plans with long-term goals in mind.

"Our marketing spending is not tied into the economic recovery," said William Bruce, VP-general manager at Infiniti. "It's tied into our plan on volume and number of dealers and the number of markets we're going to be in."

Mr. Bruce said Infiniti's 1992 model-year ad spending will increase an undisclosed amount based on plans to add 20 to 25 new dealers to its roster of 106; launch a new model next spring; and boost sales some 21% to about 45,000 cars. □

Cleveland Horton contributed to this story.

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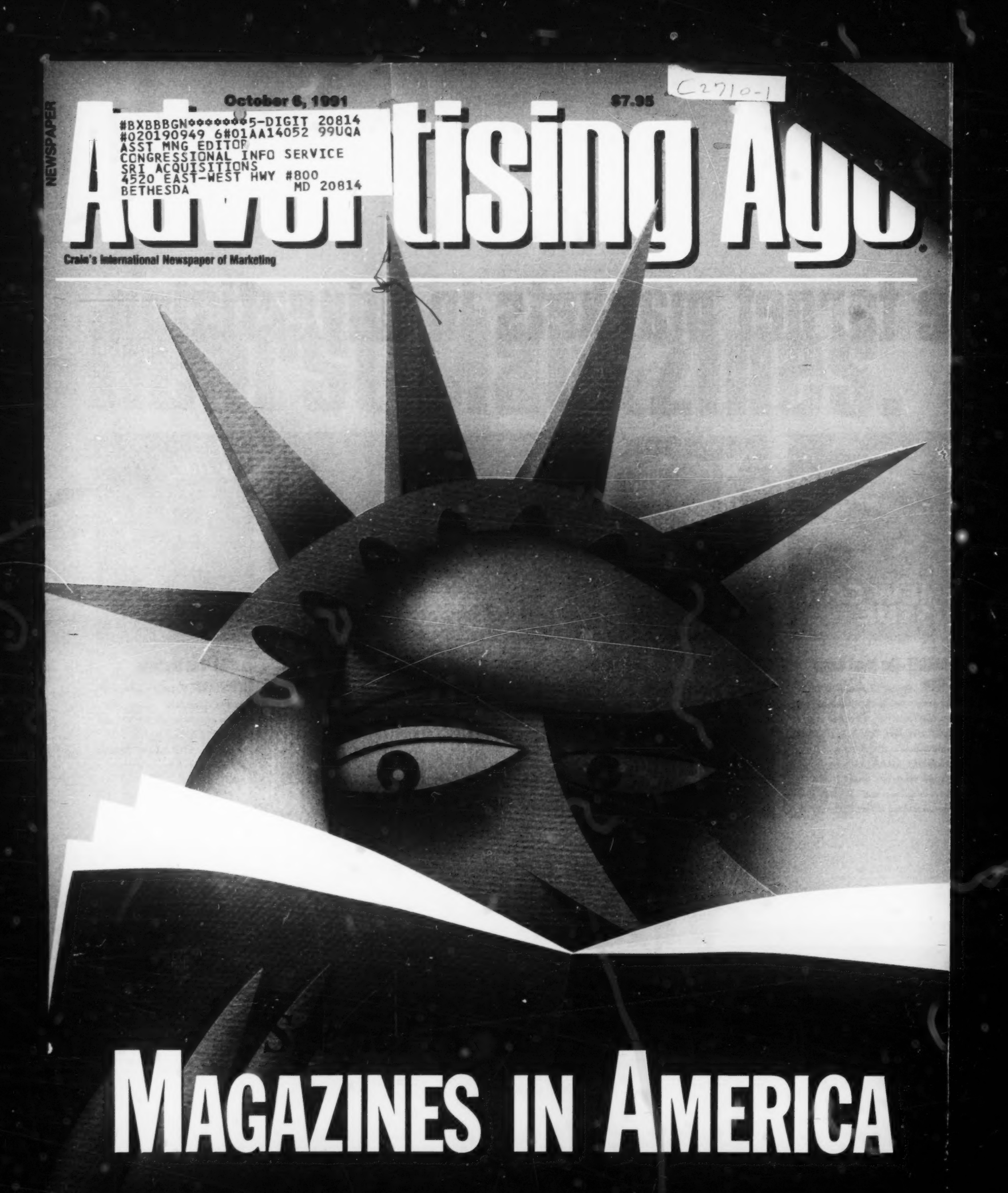

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Joe Gaul

A Few Words About This Special Issue

It is altogether fitting for *Advertising Age* to mark the 250th anniversary of magazine publishing with this special issue.

When you read through our pages, however, you will see that this is not a fuzzy-warm exercise in nostalgia. Anyone associated with publishing is far more interested in the next 250 years than in the last 250 years.

Joe Cappo

Our aim, therefore, was to concentrate on the present and the future, with a few selected stops recalling the glorious past of the industry.

These are crucial days for magazine publishing, as well as the whole media marketplace. And I'm not talking about the recession here. The business slowdown is only a minor irritant. If our government plays its cards right, it will be over in a year or so.

Something more profound is taking place, though. Over the past decade, media consumption patterns of Americans have shifted dramatically. This has occurred because Americans have changed dramatically. And it should not be startling news to publishers.

It certainly isn't to advertisers. These longtime supporters of publishing have tracked the changes in American consumers and have tried to respond by altering their own media-buying patterns. In this process, many magazines have been wounded, some mortally. But virtually all of them have gotten a little more sober about this business of publishing.

This is one of the benefits to come out of the restructuring of reader and advertiser habits. Publishers have been forced to pay closer attention to what they are doing. And they are rediscovering the necessity for marketing.

I don't mean marketing in the narrow sense of advertising and selling their products, but in the much broader sense of determining what the market wants, developing the appropriate product and finding the most effective way of delivering that product.

Yes, it's Marketing 101. But those who flunk the course can't expect to succeed in publishing, or any other business. And so, it is in that environment that we begin the next 250 years of magazine publishing.

It is important to note publishing faces old challenges as well as new. One of them is the nagging functional illiteracy of so many Americans, adults and children. As a result, *Advertising Age* has pledged to donate a percentage of the revenues of this issue to Project Literacy U.S. A check for $15,000 will be presented to the organization at the American Magazine Conference being held this week in Naples, Fla.

And if there is any lingering question as to why we have decided to concentrate on the future rather than the past, remember this: We can change the future.

Joe Cappo

Joe Cappo
Publisher, *Advertising Age*

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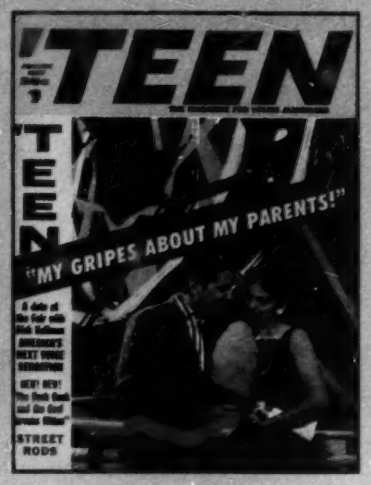

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STRONG ROOTS FOR CROSS-MEDIA

In an area that may grow from 5% to 20%, magazines often form the firm bond for ad-package buys that cross media lines

By Joe Mandese

Advertising agencies like to think they're always a step ahead of the client and 100 yards in front of the media. When it comes to cross-media deals, however, the media seem to be setting the pace.

With media companies—primarily print media operations—leading the way into multimagazine and cross-media strategies, agencies are starting to restructure media buying operations to accommodate the deals.

Cross-media packages, involving several different media opportunities from a single company or a partnership of various media providers, currently account for no more than 5% of all media buys. But that could rise to as much as 20% in the next few years, estimates Arnie Semsky, exec VP-worldwide media director at BBDO Worldwide, New York.

So far, the magazine industry is leading the way with opportunities. For all the talk of multiple mediums, agency executives say most cross-media deals done to date really evolve around a primary medium: print.

"A lot of these deals really aren't cross-media at all. They're concentrated in a single area, which is magazines," says Larry Cole, exec VP-media director of Ogilvy & Mather, New York.

Magazine publishers probably embraced the concept earlier than most media out of necessity, says Jack Irving, exec VP-director of media operations, Saatchi & Saatchi Advertising, New York.

"The magazine business over the past two years has been extremely soft, and a lot of publishers saw this as a new revenue opportunity. But up until this last upfront buying season, the network TV business had been relatively strong, and maybe they

Print's top players trim spending

Top 50 agencies by magazine billings in 1990 (in millions), and percent change from 1989

1	Saatchi & Saatchi Advertising Worldwide	$323.3	−7.1%	26	AC&R Advertising	$54.5	−15.2%
2	Young & Rubicam	272.3	3.4	27	Hal Riney & Partners	54.0	20.0
3	J. Walter Thompson Co.	256.0	−0.3	28	Eisaman, Johns & Laws Advertising	53.4	32.6
4	McCann-Erickson Worldwide	228.0	−14.4	29	Klemtner Advertising	53.0	−0.6
5	Leo Burnett Co.	205.5	−0.9	30	Wunderman Worldwide	51.1	40.7
6	BBDO Worldwide	189.3	4.5	31	Geer, DuBois	46.1	−10.4
7	Ogilvy & Mather Worldwide	187.7	8.7	32	DCA Advertising	41.7	−1.2
8	Grey Advertising	184.9	9.1	33	McCaffrey & McCall	41.0	0.0
9	DDB Needham Worldwide	179.4	−1.6	34	Lord, Dentsu & Partners	37.7	−11.3
10	D'Arcy Masius Benton & Bowles	178.5	1.4	35	Grace & Rothschild Advertising	37.7	17.1
11	Foote, Cone & Belding Communications	175.8	7.4	36	Scali, McCabe, Sloves	37.2	NA
12	Lintas:Worldwide	168.2	−19.5	37	Sudler & Hennessey	37.2	−9.9
13	Bozell Inc.	156.8	−21.4	38	Margeotes Fertitta & Weiss	36.2	31.9
14	Backer Spielvogel Bates Worldwide	153.4	−0.1	39	Fallon McElligott	32.6	−12.5
15	Ketchum Communications	149.1	23.5	40	Rubin Postaer & Associates	31.7	15.6
16	Della Femina McNamee	133.7	43.8	41	McKinney & Silver	31.5	18.7
17	Campbell-Mithun-Esty	116.7	2.5	42	Dorritie Lyons & Nickel	30.6	−2.7
18	TBWA Advertising	100.9	21.3	43	Cramer-Krasselt	29.1	8.7
19	N W Ayer	92.8	−15.4	44	Levine, Huntley, Schmidt & Beaver	28.9	−21.6
20	Tarlow Advertising	92.0	75.4	45	Wyse Advertising	28.0	10.8
21	Chiat/Day/Mojo Advertising	90.7	−30.2	46	Hill, Holliday, Connors, Cosmopulos	27.5	−13.5
22	Ross Roy Group	83.0	38.1	47	M.E.D. Communications	25.0	31.6
23	Lavey/Wolff/Swift	80.0	29.1	48	Mullen Advertising	24.0	11.0
24	Laurence, Charles, Free & Lawson	62.8	6.0	49	Avrett, Free & Ginsburg	23.8	76.7
25	Ally & Gargano	61.0	−5.4	50	Rosenfeld, Sirowitz, Humphrey & Strauss	23.4	−14.0

Source: *Advertising Age*
Note: Magazines include consumer magazines, newspaper distributed Sunday magazines, trade publications, medical journals and farm publications.

CRACKING BARRIER

(Continued from Page 32)

works into the binding process. A pharmaceutical client plans to use the process in a direct-mail effort this month.

The motion notion

Mr. Rapp predicts an increased use of lenticular images, or color images printed on finely corrugated plastic that seem to move when tilted. Mr. Rapp says he's heard reports of new technology that has cut the cost of creating these images by 90%.

Taking a big byte

Creatives recognize the omnipresence of the computer in making print ads. But some say thanks to high-end art software, the computer will be used more frequently to compose illusionary images.

"More people are using computers to create the impossible looks or environments that are eye-catching," says Andy Montag, graphics director at Bazooka Graphics.

Show and smell

The advent of newer technologies hasn't changed opinions on two more common processes: holographic and scented ads.

Holographic ads call attention to themselves, says John Gruen, senior VP-creative director, Ogilvy & Mather, New York. "The reader's being asked to do something to the ad: turn it upside down or side to side," he says.

Holographic ads can work if they demonstrate some aspect of the product, says Steve Hayden, executive creative director at BBDO Worldwide, Los Angeles.

His most notable experience with the process was for an L.A. Gear ad showing a shoe's structure. "It did a great job of demonstrating the technology" in the shoe, he says.

The problem with scented ads is their intrusiveness, Mr. Hayden says. "Now magazines smell of 100 different things," he complains.

But others say the method is a perfect sampling tool.

"It's been a slam dunk for perfumes," Mr. Gruen says. "If the device calls attention to the product, then it's worth it. But if it's like whipping up a skirt just to get attention, it's not as effective."

Costs create concerns

The use of these techologies is still relatively scarce, especially considering production costs. Still, creatives are split over whether new technologies have lasting impact on consumers and, more important, their purchase habits.

"These technologies break through the clutter. When they're used in advertisements, they turn what was an ordinary ad into something that's spectacular and grabs consumers' attention," says Ernie Capria, VP-marketing services at Carillon Importers.

"Every time you hold that person another second or two or three, the impression that's being given—the Absolut name—is being driven into the person's memory bank and the recognition becomes stronger," Mr. Terriss says.

But other creatives disagree.

"The whole idea of an ad is not just to do a clever ad, but to remember who it was and

High costs for high-tech wizardry

Per-piece costs of print technologies (based on order of 1 million pieces)

Talking ads (6-second play)	$2.25*
Reflective light technology	$2.00+
Lenticular image 7"x10"	$1.00-$1.50*
Liquid-filled ads	$0.85
Singing ads	$0.81*
Heat-sensitive ink	$0.62
Stereo viewers	$0.55*
3D images	$0.23

Notes: Costs do not include binding into magazines. * Cost of printing art not included.
Source: Gerald & Cullen Rapp; Signature Marketing; Opsigraphics Corp.; Calet, Hirsch & Spector; Bazooka Graphics.

John Hall

didn't see as much of a need."

As a result, companies with strong publishing roots, such as Time Warner, Meredith Corp. and Hearst Corp., have led the charge into cross-media efforts, he says.

For the concept to grow, agencies have to shift resources in their media departments so traditional planning groups are better prepared to deal with the components of cross-media deals, says Mr. Semsky.

Because many cross-media buys are print-related, print buyers may act as the catalyst. But they are not necessarily the wisest choice to guide the deal.

Planners must be equipped to deal with non-traditional media, such as in-store, and other marketing communications not normally planned in agency media groups, including direct marketing, promotion and PR, says Mr. Semsky.

"We're talking about something that is not just a media concept. These are really marketing concepts," says Mike Drexler, exec VP-worldwide media director of Bozell, New York.

"We're really talking about the need for renaissance media planners," says David Verklin, senior VP-corporate media director of Hal Riney & Partners, San Francisco. "You need a planner who can do everything from matchbook covers to direct mail to newspaper, TV and outdoor."

Nancy Smith, exec VP-director of print media relations of Young & Rubicam, New York, says most of Y&R's cross-media discussions take place with the agency's Print Services Group, because most of the cross-media deals being pitched by the media emanate from the publishing side.

"But it could come from any group," she adds. "It goes through Print Services Group if it is print-based. If it is something that comes from a network, it would go through our network group."

One reason for the magazine industry's early inroads in cross-media is magazine reps traditionally have courted agency planning groups, Mr. Irving says. At the same time, TV sales executives have emphasized contact with special buying groups at agencies.

"By the nature of their business, magazine people have always been much more accessible to agency planning groups," explains Mr. Irving.

Y&R's media executives believe the agency's planning groups are the best place to evaluate cross-media buys for clients.

"You've got to start out with your business. What is it your clients need and who can best supply you with it," explains Beth Rockwood, exec VP-director of communications planning.

To date, Y&R executives have yet to hit on the right mix. The agency has yet to do a major cross-media deal.

The thing holding back cross-media packaging growth is that it tends to originate from the seller, says Mr. Irving. He and other agency media executives would like to see media reps begin responding to specific client and agency needs.

Toward that end, Saatchi created a cross-media task force a little more than a year ago to acquaint senior media executives with opportunities offered by cross-media vendors and identify strategic client needs they could fulfill.

"We're talking about something that is not just a media concept. These are really marketing concepts."

Fifteen senior Saatchi media executives, from the associate media director level up to the media director, were each designated one multimedia company to become intimate with. The companies range from Time Warner to Capital Cities/-ABC.

"The first task was fact-finding; learning what these companies had to offer," says Mr. Irving. "The second task was identifying areas [where] our clients could benefit from them."

Other agencies are developing similar committees to evaluate and recommend cross-media.

George Hayes, senior VP-director of Comcord Group and McCann-Erickson Worldwide, New York, says the agency has twice-monthly meetings in which they discuss such deals.

"It's the No. 1 topic," he says, adding that the trend among clients, including Nestle, to consolidate media buying with one agency is accelerating cross-media talks.

"These consolidations are not just to leverage budgets, but [they are] an opportunity to have one resource looking at things like cross-media. It's a total picture," he says.

Regardless of the structure agencies use to evaluate cross-media packages, Mr. Drexler says the key to making them successful is making sure someone has authority to expedite the deals.

"Everyone is trying to find a formula that works for them and that has to be consistent with the culture of their agency, but the key is somebody has to be there to drive it and make sure it happens," he says.

"Someone has to break down the turf barriers so the deal doesn't get bogged down with conventional wisdom. That's the key to making it happen." □

that you want that product," says Dave Lubars, exec VP-creative director, Leonard Monahan Lubars & Kelly, Providence, R.I. "I would only use technology if it was part of the [creative] idea and not the whole schtick."

Mr. Hayden agrees: "Technologies are the first refuge for people who have forgotten how to stop readers with headlines and graphics."

One problem with technologies is once they're used, they lose their novelty, some creatives say.

"Now that a musical ad's been done, who wants to do it again?" asks Roy Grace, chairman and creative director of Grace & Rothschild. The shop creates eclectic print ads for Paddington Corp.'s J&B scotch.

But Mr. Terriss disagrees on this point.

"Some technologies are one, two or three-shot uses, but others like 'magic window' [the technique used in the Grand Marnier ad] will be used over and over again," he says.

Yet, even Mr. Terriss admits to technology's limitations. "Technology can't do it all alone. You need a good creative mind to make it work." □

MARKETING SUCCESS STORIES

We had to reach thinkers. Our first thought: The New Republic.

The Association of American Railroads needed opinion leaders on their side in the fight against

allowing double and triple trailer trucks on the nation's highways.

The fight had to go from the opinion leaders through grassroots America all the way to Congress to get legislation enacted to freeze the big rigs at their present sizes.

"We needed to expose the big truck issue. We needed to get America into action," according to Ella Russell, advertising manager of the AAR. "We needed to get them writing and calling their Congressmen and Senators, telling them 'keep those big trucks off my roads.'

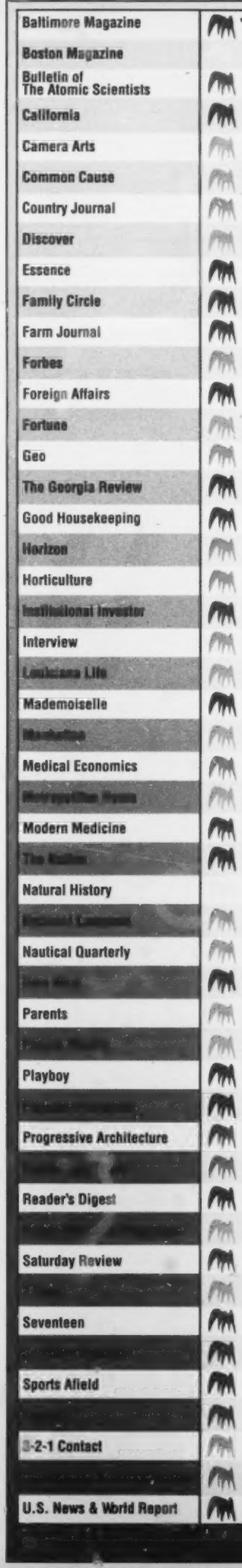
"Of course, when you do issue advertising, you address it first to thought leaders," added Ms. Russell. "So, of course, our agency recommended The New Republic, this year's national magazine award recipient for general excellence. 44% of their readers volunteer, 40% of them write to public officials, 27% of them work for politicians they admire, on and on. Why, 18% of them even lobby public officials. They're definitely our kind of audience."

AAR's advertising agency, Bergelt Litchfield, Inc., New York, hit the nerve that was needed with their emotionally charged advertising campaign. More than 100,000 phone calls, coupons and letters were recorded. As a result, the Lautenberg-Chafee Big Truck Freeze Amendment passed with the Senate Highway bill and a similar Big Truck Freeze provision is pending in the House as of this printing.

Thought leader publications like The New Republic got the grass growing in this grassroots effort.

MAGAZINES MAKE THINGS HAPPEN. MPA

ASME Spells Automatic Recognition



Few things spawn magazine self-promotion like the Calder awards, the industry equivalent of the Oscars, Gold Lion and Emmy awards.

Editors and publishers anxiously await the list of American Society of Magazine Editors' National Magazine Awards so they can take their bows, do a little breast beating and rub their competitors' noses in it.

But the awards accomplish more than stroking egos.

Advertisers say magazines are perhaps the most qualitative media buy, rising above strict number crunching and cost-per-thousand analysis. As such, the ASME awards bestow a seal of approval on publications and can help attract advertisers who are shopping for a quality editorial environment.

Reflecting how a good idea well executed isn't always a guarantee of long-lasting success, a number of award-winners are no longer with us.

However, some venerable titles do emerge consistently victorious. *The New Yorker* has taken home a closetful of the Alexander Calder-designed awards: seven for reporting, five for fiction and one for public interest. *Esquire* also has a crowded trophy case, winning five for fiction, two for design or visual excellence and one each for essays and criticism, a single-topic issue, feature writing and service to the individual.

Here, *Advertising Age* ranks the ASME award-winning publications based on how many plaudits have been bestowed on them since the competition began in 1966.

KIMBERLY MART

SIBLING RIVALRY

Seven Sisters scratch for share of changing market, and in the process make New York tabloid war look 'like kindergarten'

By Adrienne Ward

Not so long ago, the Seven Sisters had all the makings of a real family. They looked a lot alike, shared the same friends and hung out with the same crowd of advertisers.

They still do all that, but as the economy weakens, the target market ages and competition with other media increases, sibling rivalry among the sisters is reaching new heights.

This fall, the family feud is getting more ferocious. All seven women's service books are coming out with new or expanded ad campaigns emphasizing their individuality.

"Of all the fields of magazines, women's service is the most ferociously competitive," says Valerie Salembier, the former *New York Post* president who's now publisher of *Family Circle*.

"I'm new to the field and am absolutely horrified at the competitiveness. I thought there was nothing more competitive than the New York tabloid war, but that is like kindergarten compared to this," she says.

The Seven Sisters tag is enough to send some publishers and ad directors directly into battle.

"The publishers want nothing to do with the [Seven Sisters] label right now because it doesn't serve them anymore," says Valerie Muller, VP-media director at Pedone & Partners, New York. "They are general service, and that's really not a bad word. But in an era of specialization, general is considered negative. . . . That's why they are identifying for themselves a niche within the mass."

"Being one of the Seven Sisters was an honor a long time ago," says Ellen Levine, editor in chief of *Redbook*. "But times have changed. A lot of the Seven Sisters schools are co-ed now."

Most media buyers and planners say they shun labels whenever possible, but the volume of material they are required to keep up with each month can be staggering. The tag helps simplify their task.

Besides, says John Gray, senior VP-media director at J. Walter Thompson USA, New York, the women's service books look remarkably similar, no matter how you slice it.

"There are some subtle differences but they all tend to reach a similar audience," he says.

The magazines are homing in on those differences, however subtle.

"We have forced publishers to redefine the category," Ms. Muller says. "My side of the desk has said, 'OK, we won't use your old label. Then give us a new one. Give us a drawer to put you in. If you're not [a Seven Sister], then what are you?' "

At Hearst Corp.'s *Redbook*, the answer would be "juicy."

Redbook redesigned with the October issue and has launched a new ad campaign that expands its 7-year-old "juggler" theme. The $2 million ad blitz, via Rosenfeld, Sirowitz, Humphrey & Strauss, New York, uses the tagline "The Juicy Red Book," and includes trade print ads, outdoor boards and TV spots. The ads tout *Redbook's* new design and editorial emphasis on women as individuals. Ms. Levine says the magazine is more like an older sister to *Cosmopolitan* and *Glamour* than the Seven Sisters books.

The October *Redbook*, for example, carries a piece entitled "Why I Date Your Husband."

"If that cover line was in *Cosmo*," says Ms. Levine, "the title would be 'How To Date Someone Else's Husband.' "

The same issue has a story on obsessive mother love, using the cheerleader murder-for-hire trial as the news peg, as well as a piece by *New York Times* columnist Anna Quindlen on gray hair and the aging process.

The editorial focus is more personal, and stories are more journalistic, Ms. Levine says. "We want them to read our magazine and talk about it the next day," she says.

McCall's has left media buyers with the impression its focus is fashion and celebrities. "*McCall's* has taken fashion as their one-sentence definition. It is very celebrity, which is a fashion orientation," Ms. Muller says.

But the New York Times Magazine Group book, under Editor in Chief Kate White, is slowly trying to tone down the celebrity emphasis.

"I'd like to feel a good chunk of the magazine revolves around helping women pamper and nurture themselves," says Ms. White, who arrived in March from *Working Woman*. "So much of the past has helped women nurture others—work, husband, kids. . . . We want to encourage women to indulge themselves without feeling they have to apologize for it.

"It's hard for people in the industry to pick up on [the differences in women's service books] when they only skim through them . . . but readers pick up on it much better. A lot of it is just tone of voice and pace," she says.

"I'd like to feel a good chunk of 'McCall's' revolves around helping women pamper and nurture themselves."

McCall's launched a new ad campaign via Holland Advertising, New York, in September with the tagline "Straight to the heart." It represents the most substantial advertising done by the magazine in several years. Ads appear in the trade press and on telephone kiosks, and the budget is estimated at $1.5 million.

The Seven Sisters label doesn't bother *McCall's* Publisher Michael Golden, who says, "In the women's service field, [the phrase] Seven Sisters is a convenient name to give them; it makes it easy. But it doesn't mean they are interchangeable."

But *Ladies' Home Journal* Publisher Donna Galotti quivers at the moniker. "*Ladies' Home Journal* is really a step-sister," she says.

Ms. Muller says the Meredith Corp. magazine aims for a more sophisticated baby boomer than do the other Sisters.

"*Ladies' Home Journal* is addressing psychographics rather than the demographics of the '90s," she says. "Its approach is very service oriented, but it is addressing the intellectual, cultural side of women rather than the frivolous. *Ladies' Home Journal* probably has done the best job in being consistent in developing an [identity]."

The magazine has been running a trade campaign for several years that sets itself apart from others in the field by picking on their weaknesses; it does not, however, pick on its Meredith sister, *Better Homes & Gardens*.

More than any other book, *BH&G* is adamant about not being associated with the Seven Sisters.

"We're a family service, not a women's service magazine," says Marketing Director John Brown. "We are lumped with shelter books almost as often as we are lumped with the Six Sisters. We still have circulation hovering around 8 million, but the Six Sisters are down at 5 million or less. The reason is, we're not a women's service book."

BH&G also is getting back into advertising to the trade with a campaign from Ted Chin & Co., New York, expected to break later this year.

"We've been out of [trade advertising] for at least half a dozen years now, which is one of *Better Homes & Gardens'* problems," says Mr. Brown.

"I don't think there's anything at all wrong with being called one of the Seven Sisters," says *Good Housekeeping* Publisher Alan Waxenberg.

"There are good years and bad years. A few years ago, everyone said there was no way we were going to survive, but that hasn't happened at all" he says. "Each magazine has a platform that is different from that of the others."

Good Housekeeping has carved out one of the group's most definitive identities with its "New Traditionalist" campaign, which started in 1988 via Jordan, McGrath, Case & Taylor, New York.

Hachette Magazines' *Woman's Day* also is coming out with an ad effort this fall that attempts to clear up misperceptions of the magazine's reader. "In the eyes of the buyer, to some extent, there's a perception/reality of who the buyer thinks the reader is," says Robert Mate, VP-publisher. "We are trying to introduce a campaign that we hope better identifies who that real reader is."

The $1.5 million campaign is handled by Three Partners in New York.

Family Circle, published by New York Times Magazine Group, has a new ad effort up its sleeve, too. "We've been underpromoted in the last few years," Ms. Salembier says.

Lately, it has been concentrating on developing subscriptions over single-copy sales. Ms. Salembier says the magazine moved from 95% single-copy sales to a "fairly even split: 50% subscribers, 50% single copy today."

Mr. Mate says this fall's trade advertising war will help the Seven Sisters move away from the category label.

"I think they have all individually done a good job," he says. "But nothing happens overnight. You don't run an ad on Monday and then change the world." □

Charting a family feud

Ad linage and ad revenues, January-August 1991

	Pages	% change	Ad revenues	% change
Good Housekeeping	979.9	-6.8%	$102,490,674	3.0%
Ladies' Home Journal	906.6	-3.2%	70,652,440	4.7%
Family Circle	901.5	-12.7%	78,356,547	-7.2%
Better Homes & Gardens	797.5	-1.3%	99,060,673	9.3%
Woman's Day	742.5	-17.4%	57,914,886	11.0%
Redbook	666.6	-6.2%	44,389,163	-1.3%
McCall's	618.5	0.4%	49,809,664	10.0%

Circulation as of June 30, 1991 (in thousands)

	Total	% chg.	Paid subscriptions	% chg.	Single-copy sales	% chg.
Better Homes & Gardens	8,003.3	0	7,503.1	0.3%	500.2	-4.8%
Family Circle	5,151.5	-0.2%	2,449.4	28.1%	2,702.2	-16.8%
Good Housekeeping	5,028.2	-1.5%	3,710.3	1.4%	1,256.8	-9.3%
McCall's	5,009.4	0	4,512.1	-2.3%	497.3	27.2
Ladies' Home Journal	5,002.9	-0.4%	4,154.0	1.0%	848.9	-6.7%
Woman's Day	4,752.0	3.2%	1,419.8	155.6%	3,335.1	-17.7%
Redbook	3,841.9	-2.7%	3,175.6	-1.1%	666.2	-9.4%

Note: Percentage change in advertising chart compares January-August 1991 vs. January-August 1990; percentage change in circulation chart compares June 30, 1991 vs. June 30, 1990.
Source: Publishers Information Bureau (advertising linage and revenues); Audit Bureau of Circulations, FAS-FAX report, June 30, 1991.

CYNTHIA WATSON

NOTE

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Advertising Age

October 7, 1991

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LAST MINUTE NEWS

'Biz Week' cuts rates

NEW YORK—*Business Week* will reduce ad rates about 1% next year to spur ad spending and ease growing pressure to negotiate rates, said Karl Spangenberg, senior VP-ad sales. The rates will be lowered to $39,500 for a b&w page and $59,800 for a color page. Rate base remains at 870,000. *Business Week* has felt the effects of the industrywide slump. Ad pages through August totaled 1,903.6, down 22.7%.

AmEx's Ryder speaks out

NEW YORK—American Express Publishing President Thomas O. Ryder issued a staff memo last week addressing for the first time rumors the company is talking to others about selling a substantial stake in its magazine group (AA, July 15, *et seq.*). The memo didn't address specifics, such as rumors that K-III is one of the parties. Mr. Ryder said in the memo that though there was "no news" yet, the company is "exploring many opportunities" that would make the publishing group "bigger and better."

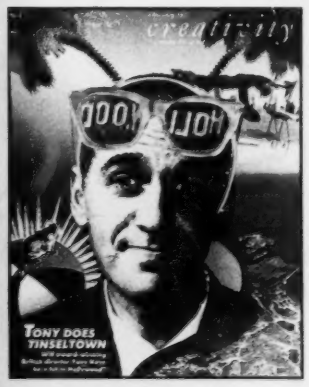
Groups hit mail proposal

WASHINGTON—Direct Marketing Association and Third Class Mailers Association reacted angrily to the Postal Rate Com-

(Continued on Page 8)

INSIDE

Bad PR: Public relations industry hit by recession. **Page 18.**



Agency scene: "Creativity" this month asks that burning question: Have L.A. agencies lost their creative edge? **After Page 36.**

("Creativity" is available on request.)

Euro RSCG faces conflicts

By Bruce Crumley and Laurel Wentz

The fate of $100 million in Procter & Gamble Co. business and more than $50 million in Henkel accounts is in question following the merger of two of France's largest agency groups.

Last week, archrivals Eurocom and Roux Seguela Cayzac & Goudard agreed to join forces, forming Euro RSCG, the world's No. 6 advertising group. Shareholders have until yearend to approve the plan.

The deal doesn't appear to be a clean one; it poses significant client conflict problems.

The most serious conflict could involve Tatnam/RSCG's estimated $100 million in U.S. P&G business and Henkel's $50 million-plus in European business at Eurocom.

P&G allows its agencies to work for competitors as long as the agencies handle categories different from their P&G business. But Unilever and Henkel are believed to be exceptions to the rule.

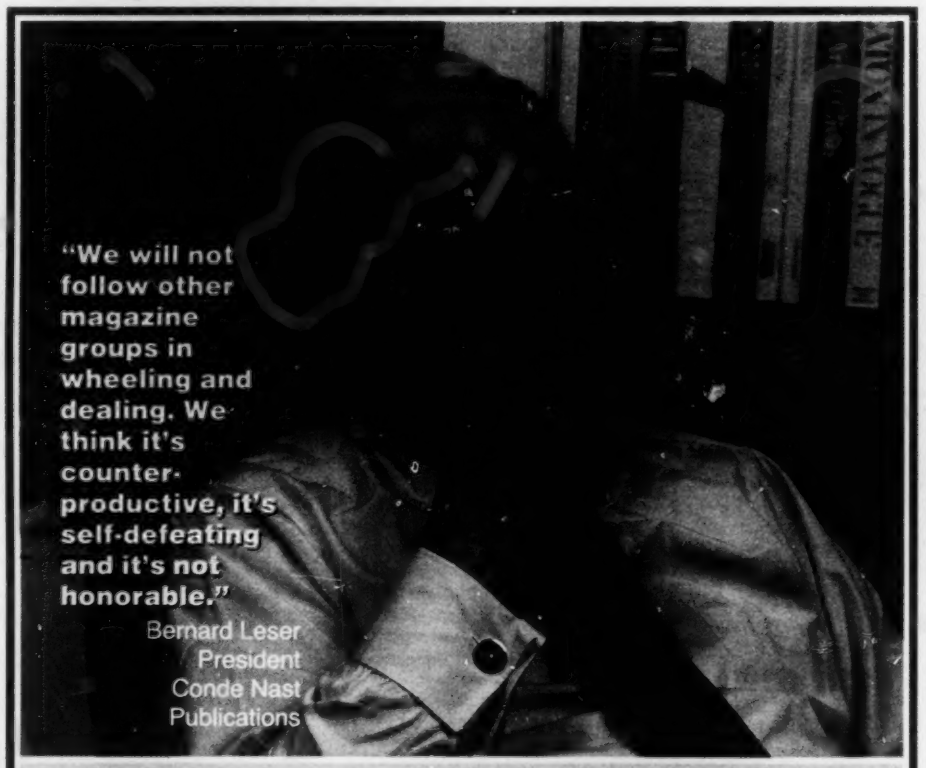
"It is an old P&G rule that no agency network is ever allowed to handle Procter business on one side and Henkel or Unilever on the other," said one source familiar with P&G. "The question now arises whether Eurocom fires Henkel or whether RSCG must give up the Procter account in the U.S. and Europe."

Another source familiar with P&G predicted the company is likely to insist that Euro RSCG resign its Henkel business and a small U.K. Unilever account.

P&G doesn't comment on agency relationships.

P&G is "going to take a close look at it,

(Continued on Page 68)


"We will not follow other magazine groups in wheeling and dealing. We think it's counter-productive, it's self-defeating and it's not honorable."
Bernard Leser
President
Conde Nast
Publications

'We won't give in'

Conde Nast sticks to rates; Leser sees better times

ONE ON ONE

Conde Nast Publications recently initiated its second management shakeup in less than a year, naming new publishers at Mademoiselle *and* Self, *and won a public tug of war with Hearst Corp. over* Glamour *Publisher Jack Kliger.*

The unit of Advance Publications is trying to increase the flexibility and creativity of corporate ad sales efforts in response to criticism from advertisers. Its well-known policy against rate negotiation has gained even more attention during a prolonged ad slump.

With the American Magazine Conference taking place in Naples, Fla., this week, Bernard H. Leser, the 66-year-old president of Conde Nast, talked to Advertising Age *Reporter Scott Donaton about the changes at the company and his outlook for the magazine industry.*

Advertising Age: *Do you see signs yet of a turnaround in advertising industrywide?*

Mr. Leser: Our feeling—and it's only a feeling that I can't substantiate—is that the economy has reached bottom and that we will now begin to see a modest recovery.

We really will not see, however, a significant recovery as an industry until the second quarter of next year. So much depends upon consumers' confidence.

AA: *The magazine industry has undergone fundamental change during the past two years. Has it been for better or worse?*

Mr. Leser: There have been too many magazines. There's been a proliferation, and I think we're now in the middle of a pruning,

(Continued on Page 69)

Doug Goodman

Theaters flock to call-in tix

By Marcy Magiera

Theater chains are testing a new way to bring people back to the movies: Let them avoid long ticket lines by buying tickets ahead of time with a credit card.

Such leading theater operators as United Artists, AMC, General Cinema and Loews Theatres Management Corp., and some smaller exhibitors, are aggressively experimenting with advance ticket sales by phone as a way to boost flat movie attendance and increase their individual market shares.

MOVIE MARKETING

Cineplex Odeon Corp., the first chain to accept credit cards at its box offices chainwide, is also "examining" the idea of advance telephone ticketing, said Howard Lichtman, exec VP-marketing and communications.

The ability to buy tickets to first-run shows days in advance may revolutionize both movie theater operations and the Hollywood studios' marketing practices.

"People who are attracted to this are people who put a premium on their leisure time and don't mind paying extra" to avoid waiting in lines, said Frank Stryjewski, VP-operations resources for AMC Entertainment.

AMC, which allows advance credit purchases at about 50 of its 250 theaters, is testing a marketwide "teleticket" advance purchase program in the Los Angeles area and Washington, D.C.

With "teleticket," moviegoers call one number to buy tickets to any AMC theater in the area rather than calling individual theaters.

At a recent Saturday night showing of Tri-Star Pictures' "The Fisher King" in Los Angeles, "I'll guarantee you the majority of tickets were sold in advance, over the phone," Mr. Stryjewski said.

Reserved seating is another idea being studied. Mr. Stryjewski said he believes that if moviegoers will pay $1 extra to avoid waiting in a ticket line, they will pay another $1 for a specific seat.

"I think it would be a tremendous mar-

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- **Movie theater** operators are experimenting with advance ticket sales by phone and payment by credit card as ways to boost attendance and market shares. 1
- **AC&R's** buyout talks with parent Saatchi & Saatchi Co. broke down; it will now report to Saatchi's Backer Spielvogel Bates Worldwide unit. 3
- **Network TV ad clutter** is increasing, according to a joint study by the Four A's and ANA. 3
- **Coca-Cola's** supermarket sales share was up a bit for the first six months of 1991, while Pepsi-Cola's share in that segment remained flat. 3
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IBM/Apple offsprings

New companies are free to select own shops

By Alan Radding and Bradley Johnson

IBM Corp.'s new alliance to develop products and share technology with Apple Computer presents potential opportunities for advertising and marketing agencies. But all that's probably several years away.

Current IBM shops, Lintas:New York and Wells Rich Greene BDDP, won't enjoy any preference when the joint venture selects ad agencies, said James Reilly, general manager, marketing plans and communications, IBM U.S.

But they won't be prevented from going after the business either.

"The alliances will be responsible for their own communications and are free to hire any agency," Mr. Reilly said. "Joint ventures are separate entities and, as such, run their own marketing communications."

Such was the case with Prodigy Services Co., the online information service that's a joint venture with Sears, Roebuck & Co., he said. J. Walter Thompson USA, New York, handles Prodigy.

Apple's agency, BBDO Worldwide, Los Angeles, could also make a play for joint venture advertising. Apple also lets affiliates call their own shots. Its Claris Corp. software subsidiary, for example, has used Anderson & Lembke, San Francisco, though that account is now in review.

In the IBM/Apple venture, both major products and advertising are several years off.

IBM and Apple, and Motorola—which makes microprocessors that are the brains of a computer—will collaborate on new computer chips to be available in two to three years. The chips will be used in future Apple Macintosh and IBM computers, which the companies say will be compatible with current computers.

KALEIDA™

Taligent.

Brand-new logos for brand-new companies formed by IBM and Apple.

The new operating system, to be developed by an IBM/Apple joint venture company dubbed Taligent, and new multimedia technologies from another IBM/Apple venture company, Kaleida, aren't expected until the mid-1990s.

Both joint venture companies will be based in or around Silicon Valley, close to Apple's Cupertino, Calif., headquarters. But Apple and IBM haven't yet picked management or directors to run the companies, meaning there's little indication yet who will make decisions on advertising—or, for that matter, just how much advertising there will be.

The joint venture companies will license their creations to Apple, IBM and other takers, a gambit to become the industry standard.

The alliance's first offspring, appearing as soon as December, will be networking products, marketed separately by Apple and IBM, that make it easier to hook together Apple Macintoshes and IBM computers. Little or no advertising is expected. But the move should make it easier for Apple to sell Macintoshes to large corporations.

Eventually, the joint venture may generate ad agency assignments and sizable billings. New operating systems typically are accompanied by multimillion-dollar ad campaigns in computer and business publications.

"Except for the networking side, the rest of the [products] really are too far off to start seeing any tangible marketing programs," said John Cook, Apple's hardware product publicity manager. □

Ally taps vet MacDougall

By Jon Lafayette

NEW YORK—Ally & Gargano has turned to an old pro for creative leadership.

After a long search, Ally last week named Mal MacDougall as vice chairman and chief creative officer.

Mr. MacDougall, 61, will be closing his agency, the MacDougall Co., a small offshoot from Jordan, McGrath, Case & Taylor, where he was once vice chairman. He earlier served as creative director at what was SSC&B:Lintas, where he helped launch Diet Coke, and was a founder of Humphrey Browning MacDougall, Boston, since merged with Della Femina, McNamee.

Mr. MacDougall succeeds Ally co-founder Amil Gargano, who with several other Ally executives in April formed Amil Gargano & Partners, a new agency in which Ally holds an interest.

Ally's creative reputation has tarnished since the agency lost such signature accounts as MCI Communications Corp. and Federal Express Corp. in the late 1980s.

M. MacDougall

In August, Ally lost the Tambrands account.

Bill Luceno, ceo of the $300 million agency, said he was opposed to hiring a young hotshot from a hot creative shop to recharge the agency.

"I think that the business problems that clients have today are so serious that this is no time to be test-marketing anybody," he said. "We wanted a proven commodity, and that has been the case from the beginning. It's no time for rookies."

He added Mr. MacDougall "hasn't lost his fastball," and his recent work is among the best he's ever done.

Mr. MacDougall said taking the helm at Ally was an honor and that he saw "no reason why Ally can't be one of the hottest agencies of the '90s." He said he believes clients will be interested in a midsize agency where the creative product is results-driven.

"He's something of a new-business magnet," said one former colleague.

At his own company, Mr. MacDougall worked on projects with the World Gold Council and Hearst Corp., as well as handling several Hearst magazines. All the Hearst business will be moving with him.

Mr. MacDougall recently completed a project relaunching Coca-Cola Co.'s Tab diet soft drink. □

Erhardt named Ad Age publisher

NEW YORK—Ed Erhardt has been named publisher of *Advertising Age*, effective Nov. 1.

Mr. Erhardt, associate publisher for the past two years, replaces Joe Cappo, who becomes publishing director, a post being relinquished by Rance Crain, editor in chief. Mr. Cappo also will remain senior VP-group publisher at *Ad Age* parent Crain Communications Inc.

Mr. Erhardt, 34, has had management responsibilities for advertising and marketing. Under his direction, *Ad Age* has increased its market share; launched a "green marketing" seminar series and the first-ever interactive electronic media kit; and is about to launch an international edition of the publication.

E. Erhardt

Mr. Cappo, 55, said he "hired Ed to eventually become publisher of *Advertising Age*, and Ed has certainly earned the position with innovative and aggressive management over the past two years."

Previously, Mr. Erhardt was VP-sales at the *National Journal*, and was an advertising sales manager for a group of international publications at Harcourt Brace Jovanovich.

Also at *Ad Age*, John Brice, 35, was promoted to the new post of national sales manager from eastern sales manager. Randel McDowell, 38, was named to the new post of western sales director, with responsibilities for *AA* and sister publication *Business Marketing*, Los Angeles, from western sales manager.

Gregory Bauer, 32, Midwest sales manager, will now take on the added responsibilities of supervising *Ad Age's* telemarketing and classified operations. □

Saatchi bankers halt AC&R buyout

By Jon Lafayette

NEW YORK—Buyout talks between AC&R and parent Saatchi & Saatchi Co. broke down last week after Saatchi bankers scotched the deal.

Instead, the $300 million agency will now report to Saatchi's Backer Spielvogel Bates Worldwide, which already handles AC&R's largest account, Estee Lauder Inc., in international markets.

AC&R had reported to Saatchi & Saatchi Holdings (USA).

Backer Chairman Carl Spielvogel said there have been no discussions about folding AC&R into Backer's New York office. AC&R will continue to occupy its current quarters rather than sharing Backer's space in the Chrysler Building, he said.

Despite Saatchi & Saatchi Holdings' loss of responsibility for AC&R and the termination of Saatchi's central health insurance plan, there are no plans to reduce that unit's 32-person staff, said Martin Tucker, ceo of the holding company.

Saatchi's Minneapolis-based Campbell-Mithun-Esty agency continues to report to Saatchi & Saatchi Holdings.

The price AC&R offered for the buyback wasn't disclosed. But sources familiar with the negotiations say the proposal would have given Saatchi less than $5 million in cash upfront plus future payments.

Saatchi's bankers were also unwilling to have the company assume some of AC&R's liabilities, including an age discrimination suit brought by four former executives.

AC&R Chairman Alvin Chereskin went on vacation after the deal broke down and couldn't be reached for comment.

Mr. Spielvogel said the new reporting line was set up "to link [AC&R] to a worldwide agency system."

Mr. Chereskin, 62, has known Mr. Spielvogel for more than 20 years, and considered working at Backer when Mr. Chereskin's predecessor, Stephen Rose, tried his own buyback last year, a source said.

AC&R's key clients include Lauder, Seiko Corp. of America and Foster's Lager beer.

Mr. Spielvogel said he cleared the potential conflict between Foster's and Backer's Miller Brewing Co. account with Miller President Warren Dunn.

Saatchi's bankers were unwilling to have the company assume some of AC&R's liabilities, including an age discrimination suit brought by four former AC&R executives in April.

At the same time, two senior executives at AC&R's Los Angeles office have joined with a free-lance creative team to set up an independent agency called CGRW.

Don Cunningham, former general manager of the office, and Suzanne Whitman, the agency's radio and TV producer, teamed with freelancers Bob Grimaldi and Gerry Renert. Each will be a principal and equal partner in CGRW.

Saatchi isn't contesting the breakaway.

The L.A. office had been reporting to Saatchi & Saatchi Holdings. AC&R's Irvine, Calif., office changed its name back to Cochrane Chase, Livingston & Co. in July, and it remains a Saatchi unit.

In addition to that Irvine shop, AC&R will retain a small service office in Los Angeles.

The new CGRW agency will handle the Southern California Chevrolet Dealers Association and First Fidelity Bank, worth about $15 million in billings combined.

In an unrelated move, AC&R's New York office lost a small account last week. Berkley Books moved its business to ZAK, formed three years ago by three former AC&R executives. □

Cleveland Horton in Los Angeles contributed to this story.

Coke makes small gains in supermarket sales. . .
Market share of cola brands
. . .while Pepsi's sales are flat
Market share of cola brands

Al Francekevich

Coke keeps share lead despite Pepsi's charge

By Alison Fahey

Pepsi-Cola Co.'s advertising may be spurring changes at Coca-Cola USA, but so far the No. 1 soft-drink marketer's sales are holding up.

For the first six months of 1991, Coca-Cola's supermarket sales share for its major cola brands was 27.1%, up from 26.8% for the same time a year earlier, Information Resources Inc.'s InfoScan tracking service reported.

Pepsi-Cola's share remained flat at 24%.

Although supermarkets account for only about 40% of the total $46 billion in soft-drink sales, they're an important barometer.

The supermarket "is important because it's a highly visible area, and it's where the cola wars take place," said Hellen Berry, VP-marketing of Beverage Marketing Corp., a consultancy.

Further, supermarket sales are more likely to be affected by advertising and promotional efforts since consumers seldom have a choice between Coca-Cola or Pepsi-Cola fountain products in restaurants or fast-food outlets.

Industry observers perceive Pepsi-Cola as having marketing momentum, driven by the Diet Pepsi commercials featuring Ray Charles that started in January. That momentum could eventually turn sales in its favor but hasn't yet.

"You can't change this business that fast," said Tom Pirko, president of Bevmark, a consultancy. "Even Ray Charles hasn't been enough to make a difference yet. Pepsi is trying to lay the groundwork for real change long-term."

For 1990, Coca-Cola had a 40.9% corporate share while Pepsi-Cola had a 33.2% share of the total U.S. soft-drink market. Those figures include fountain sales, where Coca-Cola is stronger than Pepsi-Cola, and non-cola brands.

But Coca-Cola is clearly worried

(Continued on Page 70)

Clutter clamor

Study finds Big 3 nets hiked ad time

By Joe Mandese

The Big 3 TV networks and Fox all added commercial time in at least one daypart this year, says a joint study by the American Association of Advertising Agencies and Association of National Advertisers.

NBC led the way, adding 13 seconds per prime-time hour, 8 seconds per daytime hour and 29 seconds per news hour.

The groups compared data from March, based on Nielsen Media Research's Monitor-Plus system, with data from their November report.

Some major advertisers and their agencies have begun stepping up pressure on the networks to curtail non-programming time, or at least inform clients when they add to it.

Many executives say the increases violate their contractual agreements with the networks.

"My concern is that they're not telling us when they change the rules," said J. Andrea Alstrup, media director of Johnson & Johnson. "We have contracts with all of our suppliers—networks, syndication, cable, everyone—to run our commercials in a program that we assume has a certain number of commercial announcements in it, and we're paying for that."

Ms. Alstrup said advertisers and their agencies have asked the networks to start informing them of such changes, but so far their requests have been denied.

She said the industry plans to step up scrutiny with efforts like the commercial monitoring report.

"It's unfortunate that we don't have a

(Continued on Page 70)

Commercial load grows

Number of commercial minutes per hour in prime time.

	abc	CBS	NBC	FOX
March '91	10:10	11:06	11:00	12:03
Nov. '90	10:14	10:46	10:49	12:23

Includes network and local commercials, network and other promotions (excluding promos in first or last position of pod), and public service announcements.

Source: Nielsen Media Research's Monitor-Plus

CYNTHIA WATSON

Spectac-ula: Universal is putting its monsters to work

By Marcy Magiera

Walt Disney Co. has Mickey Mouse. Warner Bros. has Bugs Bunny. And Universal Studios has . . . Frankenstein.

MCA, parent of Universal Pictures and the Universal Studios theme parks, this month will launch its most extensive corporate marketing program ever, in support of the "Official Universal Studios Monsters."

The entertainment conglomerate, owned by Japan's Matsushita Electric Industrial Co., wants to build the characters of Frankenstein's monster, Dracula and their ghoulish buddies into an ongoing franchise that may yield licensed merchandise, new TV and film properties and theme park attractions.

In short, the monsters may become Universal's Mickey Mouse.

The monsters will receive $12 million to $15 million in media support for their Halloween-oriented launch this month, estimated Linda Berkeley, VP-business development and marketing for MCA/Universal.

Beware of imitations.

Promotional activity includes:

- Miller Brewing Co. will sponsor screenings of "Frankenstein" and "Dracula" at movie theaters in about 60 cities to commemorate the 60th anniversary of the films. Miller will also team with MCA/Universal Home Video for a Halloween promotion tied to the video releases of the two films, backed by a $5 million TV campaign from Leo Burnett USA, Chicago.
- Pepsi-Cola Co. and Frito-Lay will feature the monsters in a joint $20 million "Monster Match" promotion that includes about $6 million in TV advertising. Tracy-Locke, Dallas, handles.
- Southland Corp. will support the "Monster Match" promotion with Frankenstein standees in 6,000 7-Eleven stores.
- Spencer Gifts stores, the 455-outlet chain owned by MCA, will highlight the monsters in

(Continued on Page 70)

Western Barbie

Mattel makes Japan push with revamped doll

By David Kilburn and Julie Skur Hill

Barbie has put on a new face in Japan, a makeover that promises a bigger share for Mattel in the $80 million fashion doll segment as the company eyes expansion into Japan's broader toy market.

In April, the company shifted marketing for Barbie to Mattel K.K., a new wholly owned Tokyo subsidiary, from Bandai, Japan's leading toy marketer.

As the licensing agreement with Bandai ended, Barbie herself changed, taking on a more Western look.

Last month, two network TV campaigns by McCann-Erickson Hakuhodo launched a U.S.-style Barbie doll, replacing a Japanese version.

"Japan is a tough market, but we're making an investment and we're here for the long term," said Laurie Brighton, Asia/Pacific marketing manager. "Next year, we're planning to get a significant share of the pie."

She wouldn't specify a figure, but industry sources say Mattel is aiming for more than a 15% market share of the doll segment.

Attempts to grab other portions of Japan's toy market are in the works, said Donna Gibbs, director of media relations. Next year, Mattel will launch action figures and accessories related to "Hook," the coming Steven Spielberg movie.

"Our plan is to eventually offer the full range of Mattel products in Japan," she said. "For 1991, though, Barbie is our focus."

Barbie made her debut in Japan eight years ago as a doll designed specifically for the Japanese market, called Moba Barbie.

The doll achieved only a 5% to 6% share against leader Takara Co., which holds an estimated 75% share for its Jenny dolls.

"We think the fashion doll market in Japan will be stimulated by Mattel's Barbie doll and will grow between 20% and 30%," said Masaru Nakajima, a manager in Takara's overseas operations department. "We feel it's good for us to have the chance to broaden our views about the development and marketing of fashion dolls through facing Mattel's know-how."

The new Barbie is different from Moba Barbie.

"The face was different; [Moba Barbie] was more akin to the prevailing belief about what the Japanese consumer wanted at that time," Ms. Brighton said.

The first Barbie resembled her competition, Takara's Jenny, a doll with gentle features—doe-like brown eyes, a little turned-up nose, sweet mouth and a girlish figure.

Barbie ads in Japan now show girls how to play with the doll.

Moba Barbie's look "represented what Barbie was supposed to be in this market for the past eight years, but it was not successful," Ms. Brighton said.

"Japan was the only market where we deviated from the norm," Ms. Gibbs said. Barbie is sold in about 100 countries, with just less than half her 1990 sales of $740 million coming from outside the U.S., Ms. Gibbs said.

From July 15 to Aug. 25, Mattel tested new Barbie advertising and promotions in the northern city of Niigata.

The results show the Japanese market is ready for the more sophisticated version as Japanese attitudes toward Western consumer goods have changed, Ms. Brighton said.

"There's an acceptance now and for the future that just was never here before," Ms. Brighton said.

The current effort promotes Barbie with her fashions and full range of accessories, which weren't marketed with Moba Barbie and aren't available for rival dolls in Japan.

"The other doll [Moba Barbie] didn't have the mobility that Barbie has. Her knees didn't bend, so it was difficult for her to do things like get into a car" as the U.S.-style Barbie can, Ms. Gibbs said.

There are two TV campaigns, one for Hawaiian Fun Barbie and the other for Costume Ball Barbie. International Dolls of the World, Babysitter Skipper, My First Barbie and Fun to Dress, and other related play items and accessories, will be promoted through in-store merchandising efforts. Recommended retail prices for these products range from $11 to $18.50.

"It was a test for our total marketing mix and also an opportunity to analyze trade and consumer response to this. Results have been good," Ms. Brighton said. She wouldn't disclose any numbers.

The test indicated Barbie is a "very TV-driven product. Mothers and daughters come into the stores and ask for particular products by name," she said.

Barbie's "not just a fashion doll. She gives a little girl the chance to pretend, to build a fantasy world completely. We believe that this part of our weaponry separates us from the competition," Ms. Brighton said.

Because Japanese girls thought of Moba Barbie as a more traditional display doll, the ads show little girls actually playing with the new Barbie, Ms. Gibbs said.

The company plans to spend $6 million in media by yearend and another $3 million on promotions and merchandising.

With Bandai, Moba Barbie was only promoted through discounting. □

Japan's top TV shows

Rank	Title	Network	Rating	Type of Show
Japan's Top 10 ranked shows week of Aug. 18, 1991				
1	Kimi-no Nawa	NHK	27.3	Soap
2	Sazae-san	Fuji	25.6	Cartoon
3	Mito Komon	TBS	24.5	Samurai
4	Gorilla	Asahi	23.9	Police
5	Sekaiwa Show	NTV	23.3	Game
6	Chibi Maruko Chan	Fuji	22.6	Cartoon
7	High School Baseball Champs	NHK	21.7	Sport
8	Taiheiki	NHK	21.5	Samurai
9	Quiz Derby	TBS	20.7	Game
10	High School Baseball Champs	NHK	20.6	Sport
Top 3 foreign shows for 1991				
1	Spy Operation	NTV	12.5	
2	Little House on the Prairie	NHK	5.1	
3	Knight Rider	ANB	5.0	

Source: Video Research Co., Tokyo

KIMBERLY MART

Japan TV surge to hike need for foreign shows

By David Kilburn

TOKYO—Though there are no foreign programs that regularly appear in the top 10 in Japan's TV ratings, demand for foreign programming should increase this decade.

"In the 1990s, we are expecting about 30 new stations—satellite, cable and terrestrial—to start up," said Nobukatsu Takatsukasa, a manager in Dentsu's TV division. "With the number of channels increasing so rapidly, program development in Japan cannot keep up with increased demand. This means more foreign programs will be used."

"In the 1960s, American shows such as 'Rawhide,' 'The Untouchables' and 'Lassie' were popular."

Only about 5% of broadcast time on Japan's five national commercial TV networks is filled with foreign shows, such as "Little House on the Prairie" and "Knight Rider."

Movies have been airing at 9 p.m. Sundays on Asahi TV for 25 years.

"In the 1960s, American shows such as 'Rawhide,' 'The Untouchables' and 'Lassie' were very popular and occupied a great deal of program time," Dentsu's Mr. Takatsukasa said.

But as the program development industry grew in Japan, networks began offering home-grown shows.

Now, even new Japanese shows have a tough time breaking into the country's unusually stable top 20.

Of the top 20 shows, only four have been introduced since January 1990, while four others have made the rankings consistently for 20 years. Of the 10,000 shows that air on the five national commercial networks, about 25% are new each year, according to Dentsu.

Fuji TV's "Chibi Marukochan" ("Little Maruko"), which made its debut in January 1990, is one of the most recent to gain success on one of Japan's commercial networks.

The half-hour show, which airs at 6 p.m. Sundays, ended its first year as the No. 3 show with a 39.9% rating and for the week of Aug. 18 was still holding onto the No. 6 slot, according to Video Research Co.

"Chibi Marukochan," sometimes likened to "The Simpsons," is a cartoon about the everyday life of third-grader. "Chibi" is sponsored by NIT, Takara Co. and Morinaga Co.

Another top animated program, "Sazae-san," began life in 1946 as a newspaper cartoon about the daily life of a young housewife, Sazae-san, and her extended family. Since becoming an animated TV series on Fuji TV in 1969, it's continually ranked among the top 20. Toshiba Corp. has been the single sponsor since 1969.

Only sponsors, whose names are listed on the screen, are allowed to run ads during commercial breaks within programs. To become a sponsor of a prime-time show, advertisers pay about $150,000 per show, which entitles them to one 30-second spot and the right to buy other time within the program. Up to 18% of all weekly broadcast time is allowed for commercials.

Most evenings each week one or more samurai dramas set in the past are aired, often with quite predictable plots.

The highest rated of these is Tokyo Broadcasting System's "Mito Komon," based on the life of Tokugawa Mitsukuni. A member of the ruling family, he investigates crimes, usually involving corrupt high-ranking officials and businessmen.

"What viewers want from samurai dramas is not novelty but simple and predictable plots," said Motokiyo Sugawara, manager of the media development department at McCann-Erickson Hakuhodo.

"Mito Komon" is planned by Dentsu. The hourlong show, aired Mondays, has been broadcast since June 1966 with consistently high ratings. Matsushita Electric Industrial has been the show's sole sponsor since its start. □

Agency

(Continued from Page 38)

Asia, is the most rapidly growing advertising market," Mr. Watanabe said. "We are very interested in Vietnam, which is now a rapidly growing market for Japanese companies. We are also interested in Indonesia. We're studying both markets and expect to continue doing so for another 12 months."

After Asian markets, Europe is Hakuhodo's next priority, he said.

The agency's recent $15 million investment in TBWA is a significant step in improving its service to its clients, especially in Europe.

Eastern Europe is also of interest. "It is possible that there will be opportunities for us in the future. At the moment we are collecting information," he said.

Developing a presence in the U.S., Hakuhodo has its own agency network with a branch in Los Angeles, is problematic.

"Although the U.S. market is enormous and we would like to be doing more there, we have learned from experience that this is very, very difficult," he said.

In August 1987, Hakuhodo opened a joint venture with Lintas:Worldwide in New York, called Lintas:Hakuhodo, hoping to serve Japanese-based clients. But by November 1988, the shop closed, failing to attract any business because of protests by clients within Lintas' parent company, Interpublic Group of Cos. A similar joint venture in Tokyo, however, thrives, handling Lintas clients' needs in Japan.

"Since our subsidiary in the U.S. has a short history, it is difficult for the company to be valued as a local agency in the U.S.," a Hakuhodo source said.

Although Hakuhodo's overseas push is primarily to serve Japanese clients, some Western advertisers, such as Lotus in Germany, started working with Hakuhodo. □

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TV season starts slow

Overall ratings lag, but new programs are up

NEW YORK—Combined ratings for the Big 3 TV networks' first two weeks of the prime-time season are down from last year, but new shows are averaging higher ratings.

All new programs are averaging a 10.8 Nielsen rating, up 3% from the 10.5 rating new series averaged in the first two weeks of the 1990-91 season.

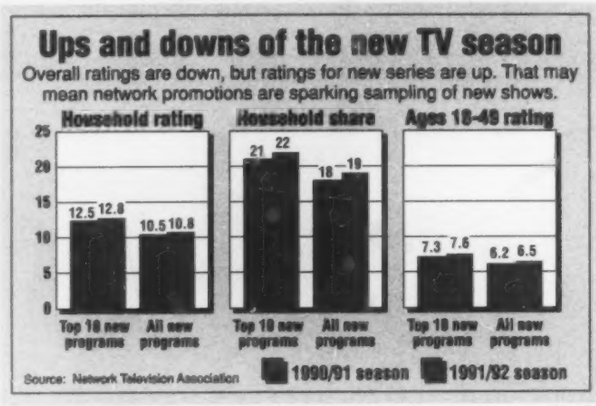
At the same time, overall prime-time ratings are down 2%, suggesting network promotional campaigns are generating good sampling for new series.

Sampling is key to the success of new shows. A third of viewers who watch new shows will continue to watch them during the season, CBS research shows.

"Early returns indicate that the three broadcast networks should have several hit shows this season," said Peter Chrisanthopoulos, president of the National Television Association.

The new shows are also experiencing viewer gains among some of the most desirable demographics, he said. For example, ratings among adults 18 to 49 are up 5% from last season.

Among the new-series frontrunners are ABC's "Home Improvement," CBS' "Royal Family" and NBC's "Nurses." But media buyers say it will take several weeks before clear winners are established. □



John Hall

NEWSSTAND

Advertising opportunities in print.

Newsweek, New York, "Food" special ad section, Nov. 18 issue; ad close: Oct. 11. B&w page: $76,400; color page: $118,855.

Movieline, Los Angeles, "Danny DeVito" special ad section, December issue; ad close: Oct. 14. B&w page: $4,021; color page: $5,500.

McCall's, New York, "Parenting" special editorial section, January issue; ad close: Oct. 15. B&w page: $70,615; color page: $83,315.

ABA Journal, Chicago, "The future of law firms" special editorial section, December issue; ad close: Oct. 18. B&w page: $11,475.

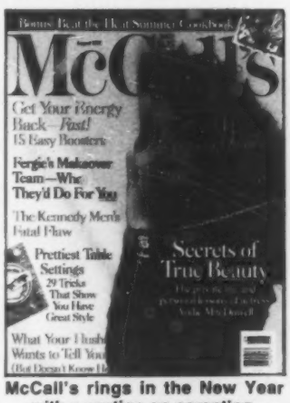
Mademoiselle, New York, "Spring fashion" special ad section, January issue; ad close: Oct. 18. B&w page: $28,520; color page: $41,440.

USA Today, New York, "Business travel" special ad section, Oct. 30 issue; ad close: Oct. 18. B&w page: $75,219; color page: $81,489.

USA Weekend, New York, "Special food" special issue, Nov. 15-17 issue; ad close: Oct. 18. B&w page: $176,550; color page: $208,725.

Car & Driver, New York, "Racing review and preview" special ad section, January issue; ad close: Oct. 21. B&w page: $39,895; color page: $61,410.

Entertainment Weekly, New York, "Gift guide for tech/kids and videogames" special editorial section, Nov. 22 issue; ad close: Oct. 21. B&w page: $17,500; color page: $22,900.


Beauty Beat the Heat Summer Cookbook
McC
Get Your Energy Back—Fast!
15 Easy Boosters
Fergie's Makeover Team—Who They'd Do For You
The Kennedy Men's Fatal Flaw
Prettiest Table Settings
29 Tricks That Show You Have Great Style
Secrets of True Beauty

McCall's rings in the New Year with a section on parenting.

New York Magazine, New York, "Winter sports and fitness" special ad section, November issue; ad close: Oct. 21. B&w page: $17,980; color page: $28,300.

Seventeen, New York, "Best prices" special ad section, January issue; ad close: Oct. 21. B&w page: $31,270; color page: $45,320.

Runner's World, Emmaus, Pa., "Fall marathons" special editorial section, January issue; ad close: Oct. 23. B&w page: $17,800; color page: $26,525.

Popular Mechanics, New York, "1992 design and engineering awards" special ad section, January issue; ad close: Oct. 25. B&w page: $41,143; color page: $58,390.

Barron's, New York, "Mutual funds quarterly" special ad section, Nov. 11 issue; ad close: Oct. 28. B&w page: $17,809.

Parade, New York, "Hearing aid technology" special editorial section, Dec. 8 issue; ad close: Oct. 31. Color page: $338,100.

Prevention, Emmaus, Pa., "Shopper's guide to new foods" special editorial section, January issue; ad close: Nov. 1. B&w page: $31,955; color page: $41,865. □

THE PRINTED WORD

Entertainment titles position for growth

By Janice Kelly

Advertising and circulation performance of publications.

Entertainment magazines are evolving, with service-oriented titles best poised to succeed in the '90s.

"Entertainment magazines are becoming more valuable because they help consumers manage their entertainment choices," said David Verklin, senior VP-corporate media director at Hal Riney & Partners, San Francisco. "What we are seeing suggests . . . a new category of entertainment magazine is emerging."

There's plenty of room for good editorial products despite the proliferation of entertainment-related outlets, said Michael Klingensmith, publisher of *Entertainment Weekly*. He cited the growth of entertainment marketing, with more advertisers sponsoring events and seeking product placements in films.

BEHIND THE SCENES OF 'BEVERLY HILLS, 90210'
US
The hot tips and early buzz on movies, music, TV and more
The Fall Entertainment Preview

***US*, now a monthly, cut its frequency in half.**

"Entertainment is one of the more resilient American industries right now," he said.

Here's how some of the leading entertainment glossies are faring:

■ **People**, New York (Time Warner): The granddaddy of the entertainment category, this mass-market weekly in recent years has expanded beyond coverage of the entertainment industry with more stories on non-entertainers.

Ad pages through August: 1,842.07, up 14.4% from the same period last year. **Circulation:** 3.15 million. **Ad rates:** B&w page: $70,730; color page: $91,165.

■ **US**, New York (Straight Arrow Publishers): *People's* broader approach allowed *US* to carve out a niche by focusing solely on celebrities, with mixed results. In August, the magazine halved frequency to monthly, primarily to stem financial losses, *US* executives said. But observers say *US* may succeed at its new frequency with meatier, in-depth stories and features.

Ad pages through August: 291.8, down 35.3%. **Circulation:** 1.3 million. **Ad rates:** B&w page: $25,210; color page: $32,545.

■ **Entertainment Weekly**, New York (Time Warner): After a bumpy start, the fledgling *Entertainment Weekly* seems to be on a steady growth path. The magazine, which reviews movies, music, TV, videos and books, claims circulation jumped 56% in the past year and is winning over Madison Avenue skeptics with a less cluttered redesign of its initial format and more mainstream coverage.

Ad pages through August: 521.77, up 0.4%. **Circulation:** 650,000. **Ad rates:** B&w page, $17,500; color page: $22,900.

■ **Premiere**, New York (K-III Magazine Corp.): It's unclear what effects a recent ownership change may have on the monthly, one of eight titles News Corp. sold to K-III in June. The consumer magazine acts like a must-read trade title with its behind-the-scenes look at the movie industry. News Corp. in June published *Premiere Preview*, a summer movie guide that may be spun off.

Ad pages through August: 432.24, up 11.5%. **Rate base:** 475,000. **Ad rates**: B&w page: $15,340; color page: $21,580. □

Scott Donaton contributed to this story.

MEDIA MIX

News briefs on print, electronic and alternative media.

Blacks are tuned in. TV viewing in black households is 48% greater than all other households, according to the "Television Viewing Among Blacks" report from Nielsen Media Research. Black households viewed 69 hours, 48 minutes of TV during the average week in November of 1990, vs. 47 hours, 6 minutes for other viewing households.

Car spending stalls. First-half automotive advertising on network and spot TV was $1.4 billion, down 9% from the first half of 1990, the Television Bureau of Advertising reported. Network spending fell 9% to $786 million; spot TV dropped 8% to $590 million. No. 1 auto advertiser General Motors Corp. cut its first-half TV budget 6% to $407 million. No. 2 Ford Motor Co. was flat at $198 million and No. 4 Chrysler Corp. dropped 16% to $158 million. The only auto advertisers to increase spending were No. 3 Toyota Motor Corp. (up 11% to $180 million), American Honda Motor Co. (up 6% to $101 million) and American Isuzu Motors (up 3% to $25 million).

Hachette plans cross-media conference. Hachette Magazines will host a worldwide media conference at parent Hachette's Paris-based headquarters Oct. 15 to 18. The company has invited worldwide media directors from ad agencies in the U.S., U.K. and France to discuss possible global cross-media deals and programs linking Hachette's U.S. and foreign properties.

ESPN says oui. ESPN and French partners Canal Plus and Compagnie Generale des Eaux bought a majority interest in the TV holdings of WH Smith Group. The deal includes the European Sports Network, reaching 19 countries through four affiliate companies. Canal Plus is the leading pay TV company in Europe and Compagnie Generale is a leading cable operator.

Chase tags stations for sale. Chase Communications, Hartford, Conn., has placed its five TV stations and eight radio stations on the block to concentrate on overseas ventures. Those ventures include a partnership with Poland's government to provide cable TV to major cities there.

NBC leaps from liability. NBC has disavowed financial liability to "Quantum Leap" producer Universal TV for an episode of the prime-time series that depicts a suicidal gay man. The network said it wouldn't guarantee the episode would be aired, due to concerns from advertisers about the program's content. If the produced episode doesn't air, NBC won't pay Universal's licensing fee.

Film at 11—twice. CBS affiliate KSL-TV, Salt Lake City, on Oct. 21 starts producing a nightly half-hour news program for independent station KXIV-TV, to air at 9 p.m. (MT). A CBS spokesman said it's not unusual for affiliates to produce programs for other stations but was unsure whether any had done so for a station that competes with the network's prime-time feed.

***Southern Homes* sold.** An investor group and employees of *Southern Homes* bought the 45,000-circulation magazine from the Haas Group, Norcross, Ga. Robert Patterson will be president of the new, unnamed company; he had been chief operating officer of Haas Group. *Southern Homes* is published seven times a year.

Multiplication test. Showtime Networks is testing Showtime 2, a multiplexed feed that shows the same entertainment programming as the base channel but at different times. Earlier this year, MTV: Music Television said it would test a multiplexed system to create three different music formats. Other cable networks, including MTV's sister channel VH-1: Video Hits One, have expressed interest in multiplexing. □

Joe Mandese coordinates MediaWorks.

AD REVIEW

Egad! Glad ad makes almost everyone mad

By Bob Garfield

Garfield

Well, the results of the Glad bags campaign reader poll are in, and the response is split:

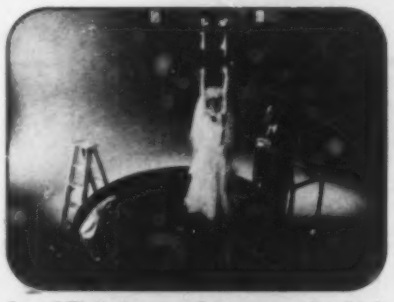
Half of you hate me for detecting non-existent anti-woman imagery in a series of harmless, funny TV spots, and the other half of you hate me for defending the ads' degrading, female-subordinating stereotypes and violence against women.

Scores of letters arrived rating Chicago-based Leo Burnett USA's latest spots for First Brands Corp.'s Glad Handle-Tie plastic garbage bags—spots that, you might recall, place women in very precarious situations as comic Thom Sharp taunts them into trying Glad.

Correspondents as divergent as Sharp ("Bob, I gotta tell you, I think you have *way* too much time on your hands. Yes, a tad too much analysis here."), Glad/Burnett copywriter Neal Spector and the Lake Stevens (Wash.) High School student body weighed in on the subject. Counting the anonymous, 4-star entries with Chicago postmarks, the response was heavily polarized and evenly split.

"Barely repressed S&M," says June (0 stars) Fletcher. "Twisted, threatening and perverse," says Kimberly (0 stars) Parr. "Time to switch brands," says Roz ("less than zero" stars) Cundell. "They lead me to think the company is led by a group of sadistic, sexist males whose brains reside in their scrotum," offers Rhonda (0 stars) McMahon.

And Lisa (0 stars) Deaton, who regarded the column to be "as offensive . . . as the ad," suggests redoing the Glad spot that featured a young bride-to-be suspended over a wine vat—this time with a middle-age white male in brief swim trunks hanging over a tank of alligators. "That," she predicts, "will get him to hold his little penis."



An ad likely to provoke women shouldn't be on the air, and this one for Glad Handle-Tie bags no longer is.

Always nice hearing from you, Lisa.

Nearly half of the responses were equally vitriolic, all but a few from women. Men, meanwhile, far and away dominated the other point of view.

"Humor that works with a product demonstration," says Greg (3½ stars) Klein. "What more could you want?!" "You copped out and succumbed to the specter of the Politically Correct Mind Police," writes Steven J. (4 stars) McCombs. "It's about time America got down to the serious business of having a sense of humor again," writes Elizabeth (3 stars) Gilmore.

J. Adam Rothstein (5 stars on a scale of 4) denounces the "search for hidden exploitation" as a First Amendment-flouting "politically correct witch hunt known as prior restraint."

David L. (4 stars) White opines that my even raising the question in a column does a disservice, because now agencies and clients "will wonder about how a spot *might* be interpreted and may throw away great work."

Aha! Inadvertently, Mr. White solves the dilemma: The wedding gown spot never meant to exploit or offend anyone, but if everybody had worried about offending people, *it never would have run*. And it shouldn't have.

Obviously, there's always some humorless somebody out there just itching to be offended, and nobody's counseling 17 layers of textual analysis or killing a campaign at the first vaguely negative association. That would be craven and foolish—as foolish as failing to consider the reaction to *any* depiction of women in bondage, imagery that should raise a lawn-and-leaf-bag-size red flag.

This has nothing to do with political correctness, nothing to do with free speech and nothing to do with malicious intent. This has to do with minimum sensitivity to the impact of your message. If an advertising joke risks infuriating customers, the joke can be as funny or innocent as it wants and still be a gigantic mistake—as First Brands evidently concluded when viewer complaints prompted them to pull the wedding dress spot off the air (before the Ad Review ever ran).

It is more or less axiomatic that you shouldn't invest tens of millions of dollars in advertising reasonably likely to *lose* business. A tad too much analysis? No, big Thom, a tad too little. □

Olympic-size plans

Chrysler, Kmart, CBS form promotion team

By Raymond Serafin

Chrysler Corp. is teaming up with Kmart Corp., CBS and Time Warner for the automaker's biggest-ever promotion, tied to the Winter Olympics.

The cross-promotion, themed "Drive for the gold," is designed to build store traffic for Kmart and Chrysler while promoting CBS' February broadcasts of the Winter Olympics from Albertville, France.

Ross Roy Inc., Bloomfield Hills, Mich., an agency for both Chrysler and Kmart, put together the promotion just as it handled the Kmart/CBS promotions for the last three TV premiere seasons.

The Olympics play a key role in Chrysler's 1992 marketing plans. The company plans to use the broadcasts to launch the Jeep Grand Cherokee sport utility vehicle and may use the Games to tease an important series of new midsize sedans that will make its debut next fall.

Chrysler will spend $50 million as a broadcast sponsor of the Winter Olympics and is the official automotive sponsor of the 1992 Winter and Summer Games.

"We were looking for a partner who has massive consumer exposure, and 57 million people visit Kmart every week," said Mike Kelley, national sales promotion manager for Chrysler.

The promotion kicks off today in Kmart's 2,300 U.S. stores, with point-of-purchase displays, in-store announcements and a 20-minute, CBS-produced Olympics video showing in the stores' video departments.

Simultaneously, Chrysler dealers will use showroom displays and will provide vehicles that can be shown at Kmart stores.

On Oct. 13 and Oct. 20, 68 million households will get a Kmart free standing insert describing the promotion, with other support coming from a $1 million network radio campaign and an ad running in Time Warner's *People*, Mr. Kelley said. The FSI will include numbers that must be matched against in-store displays to win vehicles.

Also, Kmart cashiers will pass out coupons to be taken to Chrysler dealers to possibly win a vehicle, commemorative Olympics coins, an expenses-paid trip to the Games or a medallion.

Those who visit dealerships will get a special edition of the U.S. Olympic Committee's *Olympic*. The magazine features numbers to be matched during CBS broadcasts in November, December and January.

Finally, numbers will appear in a special edition of *Sports Illustrated*, offering the chance to win a vehicle during each of the 16 days of the Olympics broadcasts. □

John P. Cortez and Joe Mandese contributed to this story.

Monster

(Continued from Page 3)

its "Halloween Head Quarters" promotion, including a 900-number sweepstakes promotion created in-house.

■ Cable channel American Movie Classics will run a 24-hour Universal monster movie marathon on Halloween.

MCA has also signed about 40 licensees, who will market more than 200 monster products including apparel, novelty items and toys, most of which won't hit stores until early 1991.

"We wanted to develop something that would really identify Universal Studios," Ms. Berkeley said. "We wanted to build a brand identity for 'Monsters.' "

The company is already talking to a fast-food chain and a major candy marketer about promotions in 1992, she said.

In its 75-year history, Universal Pictures has released many classic horror movies, including the early favorites "Frankenstein" and "Dracula" in 1931. Other Universal monster movies include "The Bride of Frankenstein," "The Phantom of the Opera" and "The Creature From the Black Lagoon."

Within the past year and a half, MCA has tapped Ms. Berkeley and David Weitzner, president of worldwide marketing for the MCA Recreation Services division, to look for marketing synergies within the entertainment giant's vast film, TV, home video, theme park, music, publishing and retail divisions.

MCA's next companywide marketing push will support the characters from "An American Tail: Fievel Goes West," Universal's holiday animated sequel to "An American Tail."

"We wanted to build a brand identity for 'Monsters.' "

"We'd like to develop [the monsters] as a year-round property, but Halloween is obviously a great opportunity," Ms. Berkeley said.

"Dracula" may get another large promotional push around Valentine's Day—the movie's original release date in 1931. □

Coke

(Continued from Page 3)

about the potential long-term ramifications. Already, the company has sought the help of Creative Artists Agency, a talent agency, to help predict global trends. Coca-Cola is also looking for new creative from its agencies for a global thrust.

More recently, sources say Coca-Cola is re-evaluating its 1992 marketing budget and is considering media mix shifts in addition to an overall increase in ad spending.

"Coke is reviewing their allocation of resources," said one source close to the company. "I think they realize they have to spend more money [on marketing] next year, but I don't think anybody's figured out where to put it."

Some funds could be diverted into in-store marketing vehicles, particularly new technologies like electronic couponing devices and frequent-shopper programs.

One marketing executive who asked not to be identified said Coca-Cola had recently met with several in-store marketing companies that were invited to submit proposals on possible marketing opportunities.

"We will continue to look for creative and innovative ways to impact the public at the store level," said Bob Bertini, a Coca-Cola USA spokesman, who wouldn't elaborate.

Coca-Cola in 1990 spent about $90 million on measured media for Coca-Cola Classic and $70 million on Diet Coke brands, according to LNA/Arbitron Multi-Media Service. McCann-Erickson Worldwide, New York, and Lintas:New York handle Coca-Cola Classic and Diet Coke, respectively.

Pepsi spent $80 million on flagship Pepsi and about $76 million on Diet Pepsi brands via BBDO Worldwide. □

Clutter

(Continued from Page 3)

system that can provide us with this on an ongoing basis, because I think we would find that everybody is changing as their needs require," she said.

"It's apparent that the networks are not heeding our concerns," said Richard Kostyra, exec VP-U.S. director of media services at J. Walter Thompson USA, New York, "and we intend to make an exerted effort to control the amount of program time."

He said the Four A's and ANA plan to release another study of network clutter, based on data from July, and a study of cable and syndication commercial clutter at an Advertising Research Foundation meeting in December.

NBC's increases make it the most cluttered of the Big 3 in prime time, the monitoring found. The network did cut commercial time in late night, early morning and sports.

ABC went down everywhere but sports, which increased, and early morning, which stayed the same.

CBS increased commercial time in prime time, daytime, early morning and sports, but reduced it in late night and remained the same in news.

Fox Broadcasting Co. decreased its prime-time commercial time by 15 seconds per hour and its Saturday morning time by 25 seconds. Fox added 7 commercial seconds per late-night hour. □

NOTE

ONLY THE FOLLOWING PAGES OF THIS

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S8, S12, S16, S18-S28

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British Air talks to Northwest

Alliance would give flight to global carrier

By Jennifer Lawrence and Cleveland Horton

Northwest Airlines is in serious discussions with British Airways to forge a corporate alliance that would create a new, powerful global airline brand, *Advertising Age* has learned.

A proposal under consideration would dissolve the Northwest name and replace it with some form of the British Airways name, said one source involved in the talks.

That could give Northwest, the fourth-largest U.S. carrier, a much-needed image boost and British Airways, Europe's largest carrier, an expanded global presence.

The overall strategy is to repackage Northwest to achieve a marketing integration with British Airways—from frequent flier programs, scheduling and route coordination to employee training and corporate identity.

The plan could be implemented sometime in 1992.

It's not clear whether British Airways would take an equity position in Northwest or whether some other financial arrangement would be structured.

Northwest is already partly owned by KLM Royal Dutch Airlines. Northwest said KLM holds 10.5% of the voting common stock and 20% of common stock. KLM's role in the plan is uncertain.

Foreign airlines are restricted by law from owning more than 49% of a U.S. carrier.

Northwest also has been discussing buying major portions of Continental Airlines, but it appears those talks are proceeding separately.

At press time, British Airways officials in London were traveling. A person in the press office who wouldn't give her name said the company "never comments on such things."

Northwest also declined to comment. "We will maintain our usual position of not commenting or speculating on

(Continued on Page 59)

LAST MINUTE NEWS

Whittle, Forstmann talks die

KNOXVILLE, Tenn.—Talks collapsed Friday between Whittle Communications and Forstmann Little & Co. The New York-based investment partnership had agreed in principle last month to invest $350 million in Whittle for a one-third stake. The parties said they couldn't agree on the valuation for Whittle. Chairman Christopher Whittle said in an employee newsletter last week that a large portion of the funds would have been used to finance an unidentified $100 million acquisition. He added that the acquisition negotiations were called off two weeks ago but that the company will still look for other capital infusions.

AmEx nears campaign decision

NEW YORK—American Express Co. this week is ex-

(Continued on Page 8)

MAGAZINE CONFERENCE

Doug Goodman

Gen. H. Norman Schwarzkopf (r.), a conference speaker, buddies up to Reg Brack.

Good old days gone: Publishers

By Scott Donaton

NAPLES, Fla.—The recession has led to a transformation of the magazine industry, and publishers must adapt to doing business in a permanently altered marketplace.

That was the consensus among publishers here at last week's American Magazine Conference, co-sponsored by the Magazine Publishers of America and the American Society of Magazine Editors.

That attitude was in marked contrast to last year's meeting, when publishers portrayed themselves as victims of the recession who would bounce back when the economy improved.

This year, conference participants said there have been fundamental changes in relationships between magazines and advertisers and that publishers must invest in editorial quality and focus on circulation profitability.

■ **Negotiated rates are here to stay, agencies tell magazines—Page 36.**
■ **Publishers are focusing on quality subscriptions, not volume—Page 50.**
■ **A behind the scenes look at the magazine conference—Page 58.**

But above all the calls for creative problem solving, the essential message was that an economic recovery won't mean a return to the salad days of the mid-1980s.

"People are now very cautious about

(Continued on Page 58)

High court may open ad tax

By Steven W. Colford

WASHINGTON—The door to state taxation of advertising could be opened if the U.S. Supreme Court overturns a 24-year-old law protecting direct marketers from state sales taxes.

That's striking fear in the minds of industry representatives and lawyers in the wake of the high court's decision last week to consider a controversial North Dakota case.

"This will most likely be the case that decides the future of the mail-order business."

At issue is whether a direct marketer must have an office or other physical presence in the taxing state or whether, as some states now argue, mailing catalogs and using 800 phone numbers locally is sufficient presence for taxation purposes.

A landmark 1967 Supreme Court ruling said direct marketers must pay sales taxes only in states in which the company has a physical presence.

The principals in the long-simmering dispute: the state of North Dakota, intent on forcing direct marketers to ante up an estimated $5 million in annual sales and use tax receipts, and Quill Corp., an Illinois marketer of office supplies that refused to collect and remit the state's 5% sales tax.

Because of the potential scope of the court's decision, the advertising and media industries stand to lose big if the court veers away from its precedent, *National Bellas Hess vs. Illinois Department of Revenue*.

Industry officials fear money-starved local governments would then be able to argue that the transmission of a broadcast ad into a state or mailing of a catalog to residents would entitle the states to collect taxes.

"I'd say it's a 60% to 70% chance that *Bellas Hess* is dead in the water," said Thomas McG[illegible], a Washington attorney at Arnold & Porter, which represents major adver-

(Continued on Page 60)

Tom Bachtell

INSIDE

Media Outlook: Quadrennial quandary as politics/-Olympics go bust. **After Page 32.**

'Baby Talk': Another small publisher disappears. Time Publishing buys Parenting Unlimited. **Page 62.**

NEWS SUMMARY

■ **Northwest Airlines** is discussing a corporate alliance with British Airways to create a global airline brand. 1

■ **The magazine industry** must adapt to doing business in a permanently altered marketplace, publishers were told. 1

■ **U.S. Supreme Court's** awaited ruling on a law that protects direct marketers from state sales taxes could affect states' future consideration of taxes on advertising. 1

■ **Regional Bell** telephone companies are preparing new products, many involving advertising, following a court decision allowing them to provide information services. 3

■ **Barter deals** between media and advertisers are growing in a recessionary economy. 3

■ **Discover card** from Sears is thriving, with growth of cards in use estimated at 17% this year. 3

■ **Nuprin's sales** reportedly rose 23% since it began its ad campaign with tennis star Jimmy Connors. 3

■ **Fox Broadcasting** is showing increased ratings strength against the Big 3 networks. 4

■ **Nike** is looking for major growth in the women's segment with its Side 1 and Nike brands. 4

■ **Joel Babbit** will resign as president of Babbit & Reiman to become exec VP at Chiat/Day/Mojo in New York. 4

■ **Procter & Gamble** is stepping up global expansion of its disposable diapers and other products. 6

■ **Saatchi & Saatchi** Advertising will name worldwide account directors for 12 of its largest clients. 6

■ **Young & Rubicam** was sued by Jamaica's former tourism minister, earlier involved with Y&R in a bribery case. 16

■ **Live Home Video** will use advertising to promote consumer purchase of used "Terminator 2" tapes to encourage video stores to order more rental copies. 20

■ **Ralph Lauren** is adding Polo Crest as a line extension to its Polo men's fragrance. Estee Lauder's Aramis will get new packaging and revised advertising. 21

■ **Nabisco Foods** is test-marketing Move Over Butter, a table spread made with buttermilk and soybean oil. 47

■ **French ad agencies** are cutting back as advertising growth in the country grinds to a halt. 48

■ **Brown & Williamson** is testing two ad campaigns for Kool cigarettes while a third effort goes national. 54

■ **WordPerfect** will soon introduce 5.1 for Windows software; competitor Microsoft is expected to counter. 55

■ **Sequential liability** in media contracts has been slow to catch on with agencies, a survey indicates. 56

■ **CBS** hopes for exciting games in the baseball playoffs to boost ratings despite the smaller-market teams involved. . 61

■ **Time Publishing Ventures** will acquire the publisher of *Baby Talk* and related titles. 62

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RJR's Camel leaves Y&R for upstart shop

By Judann Dagnoli and Jon Lafayette

A two-man agency has snatched R.J. Reynolds Tobacco Co.'s $40 million Camel cigarette account away from giant Young & Rubicam, New York.

RJR on Friday said the creative portion of the domestic account will be moved "effectively immediately" to Mezzina/Brown, formed in July by two former Y&R staffers.

The account is the first for the fledgling New York shop, which has yet to even establish a formal office. Media buying will continue to be handled in-house.

The new agency was formed by John Mezzina, former senior VP-group creative director, and Bill Brown, former senior VP-group director, both of whom worked on the Camel account.

Before leaving Y&R, the two executives were negotiating with the agency to establish either a "mini" agency-within-an-agency or a separate shop backed by Y&R, but sources say those talks fell through.

Neither Mr. Brown nor Mr. Mezzina could be reached at press time; Y&R wouldn't comment.

"John Mezzina and Bill Brown have been key to the creative evolution of the successful repositioning of the Camel brand for several years," David Iauco, senior VP-marketing at the tobacco company, said in a statement. "Moving from Y&R to Mezzina/-Brown will provide the continuity the brand requires to continue its momentum in our highly competitive industry."

He declined to elaborate.

The shift comes as RJR continues unofficial reviews of its Winston and Salem brands, both currently at FCB/Leber Katz Partners.

RJR is tapping the resources of Y&R, Leber Katz and Trone Advertising, Greensboro, N.C., for new creative on the $25 million Winston account and also is soliciting ideas from Leber Katz and Trone on the $27 million Salem account *(see story on Page 54)*.

But the "unofficial review" status hadn't included Camel. That brand has experienced a significant turaround with the "Smooth character" campaign featuring Old Joe and his gang of "Hard Pack" sidekicks.

The Old Joe character originated as a Camel promotional vehicle in France during the 1980s and later showed up in a Trone-created promotion in the U.S.

Camel's market share last year was 4.4%, up from 3.9% in 1989, the year the full campaign began in the U.S., according to Wheat, First Securities analyst John C. Maxwell Jr. The U.S. cigarette market is estimated at $40 billion-plus.

The move strips Y&R of its largest RJR domestic account, leaving the agency with the $10 million Now cigarette account and the $1.3 million More cigarette account.

Y&R won the Camel account from McCann-Erickson Worldwide in July 1989. □

Will it be adieu to P&G?

Euro RSCG may lose account to keep Henkel

By Bruce Crumley and Laurel Wentz

Euro RSCG is believed to be prepared to lose its $100 million Procter & Gamble Co. business to keep a similar amount of Henkel business in Europe if P&G stands by its conflict policy.

The conflict issue surfaced early this month when Eurocom and Roux Seguela Cayzac & Goudard agreed to merge, becoming the No. 6 advertising group in the world.

P&G is concerned about the conflict, though Henkel is not, agency sources say.

"This does not really bother me," said Klaus Morwind, Henkel's member of the board in charge of worldwide detergent marketing.

Mr. Morwind confirmed that Eurocom handles close to $100 million in Henkel detergent business—a larger amount than was previously believed—and that Eurocom handles the largest amount of business of any of Henkel's agencies.

He said that since RSCG doesn't handle P&G business in the detergent category, the merger isn't a problem for Henkel.

If P&G believes there's a conflict problem, "I would assume P&G will switch agencies," Mr. Morwind said.

Agency sources in Europe say Euro RSCG's focus on Europe means the group is expected to keep the Henkel business if it must choose between Henkel and P&G.

P&G declined to comment on its agency relationships.

If P&G believes there's a conflict problem, "I would assume P&G will switch agencies."

Jean-Michel Goudard, Euro RSCG's president of international, is going to Cincinnati later this month to meet with P&G, but his office wouldn't comment further.

Although P&G allows its agencies to work for competitors in different product categories, Henkel and Unilever are believed to be exceptions to the rule.

Eurocom and RSCG will maintain separate agencies, but the P&G business at Tatham/RSCG, Chicago, is where the conflict lies.

A Tatham spokeswoman said there's been no change in any client relationships since the merger announcement but that discussions continue concerning any possible conflicts.

Also last week, a top executive quit and RSCG was expelled from the Media Partnership, the media buying group formed by WPP Group and Omnicom Group agencies in Europe.

Jean de Yturbe, former president of Eurocom Advertising, resigned because he was unhappy with the new structure of Euro RSCG requiring him to report to Mr. Goudard, sources say.

Meanwhile, RSCG's expulsion from the Media Partnership leaves Euro RSCG with no European media buying partner. RSCG bought media via the Media Partnership, and Eurocom had been looking for a new partner since ending its European media buying arrangement with Carat in August.

"None of us were consulted in this merger," said Media Partnership President Albert Knobler. "In order to enter . . . [the partnership], the new partner should be agreed upon by all members. Also given Euro RSCG's size, we could have been facing some anti-trust and competition problems here in France." □

DDB Needham-DIK split?

By David Kilburn and Jon Lafayette

DDB Needham Worldwide is on the verge of splitting with Dai-Ichi Kikaku in Japan and setting up its own wholly owned subsidiary there, sources say.

The agency has approached Japan's No. 3 Tokyu Agency to handle media buying for a new subsidiary DDB wants to open, the sources said.

The sources said DDB would be interested in closer ties with Tokyu in the future, but Tokyu is not willing to upset the relationship of its sister agency, Tokyu Agency International, Japan's No. 19 agency, with D'Arcy Masius Benton & Bowles. D'Arcy owns about 24% of Tokyu Agency International.

Tokyu officials said only that they've been approached by a multinational agency wanting media buying services. DDB Needham and DIK wouldn't comment.

The DDB Needham/DIK split isn't expected to affect the joint ventures the two have in other countries. DIK is Japan's No. 6 agency and owns 40% of DDB Needham Japan, the No. 40 shop. DIK also owns 50% of Kresser/Craig, Santa Monica, Calif.; and smaller percentages of other DDB shops around the world. □

No. 4 Fox often 2nd or 3rd

By Joe Mandese

Five years after it began broadcasting to a national lineup of affiliate stations, Fox Broadcasting Co. is still referred to as the fourth network.

But as often as not, Fox's prime-time ratings are third, or even second, to the so-called Big 3 in the current season.

Three weeks into the season, Fox is placing third or better on half its four-night schedule.

On Thursdays, Fox's strongest night, the network is second only to NBC. On Sunday nights, it places a solid third, well ahead of NBC. On Friday and Saturday nights, it runs a close fourth.

More significantly, Fox's ratings are growing at an incredible rate, while the Big 3 are slipping or posting only marginal growth.

"You can't really think of Fox as the fourth network anymore," said Steve Farella, exec VP-media director of Young & Rubicam, New York. "It's no longer a network alternative like cable or syndication, but a part of a base network TV plan for many brands."

For the first three weeks, Fox's average prime-time rating rose 42%, to an 8.1, compared with the same period in 1990, according to Nielsen Media Research. CBS' rose 8%, to a 13.8, while ABC was down 7%, to an 11.7, and NBC dropped 8%, to a 12.1.

"We think of them as an equal player among many key advertising targets—case closed," said David Marans, senior VP-media research, J. Walter Thompson USA.

While agency media executives note that three weeks don't make a season, they point to Fox's long-term growth trends.

"They can't grow in leaps and bounds every year. Otherwise, they would be the No. 1 network very shortly," said Steve Grubbs, senior VP-director of broadcast programming, BBDO Worldwide. "But it's incredible how far they've come in a very short period of time."

Fox hasn't been without its rocky moments. Launched on Oct. 8, 1986, the network got off to a slow start with its ad sales and marketing. But after some turnover in the sales department, Fox appears to have hit on the right mix of sales managers.

Headed by Senior VP-Sales Jon Nesvig, a former senior NBC sales executive, Fox has assembled a team of seasoned Big 3 veterans.

In the 1990-91 upfront market, when the Big 3 decided to abandon the traditional prime-time ratings guarantee policy in favor of an unpopular and confusing formula, Fox executives stuck with the standard one.

When Fox overpromised and underdelivered on ratings estimates last season, it came back in the 1991-92 upfront with conservative numbers that appear to have been a bonus for upfront buyers.

Though Fox's ad revenues are still a fraction of the Big 3, the network is growing at a much faster rate. 1990 revenues totaled $850 million, up 63.5% annually since 1986, according to data from Veronis, Suhler & Associates.

ABC's revenues, meanwhile, grew only 8% to $4.3 billion in the same period; CBS was up 3.8% to $3.3 billion; and NBC grew only 1.5% to $3.2 billion.

Fox has yet to develop a costly national newscast, and its economics may change drastically if it begins to program prime-time hours beyond the Federal Communications Commission's current restrictions under its financial interest and syndication rules.

"They've had a laudatory start, but the challenge they face is the same as all programming sources," said JWT's Mr. Marans. "They have to be able to come up with new hits to refreshen their lineup, and they have to make sure their hard-working veteran shows don't lose ground. That may seem like common sense, but that's what's plaguing NBC now." □

Fox at 5

Prime-time ratings of the four broadcast networks, based on the first three weeks of 1991-92 season vs. 1990-91 on nights Fox regularly programs.

	Rating	% chg
THURSDAY:		
NBC	16.8	+3%
Fox	11.6	+93%
CBS	11.1	−13%
ABC	8.9	−11%
FRIDAY:		
ABC	12.4	−4%
CBS	12.0	+5%
NBC	6.6	−28%
Fox	5.4	+17%
SATURDAY:		
NBC	12.6	−6%
CBS	8.1	−7%
ABC	7.7	−18%
Fox	6.3	+54%
SUNDAY:		
CBS	17.1	+11%
ABC	11.4	−12%
Fox	9.0	+22%
NBC	8.6	−25%

Source: Nielsen Media Research

In tune with prunes

YUBA CITY, Calif.—She gave her last album, "No Nonsense," the name of a leading pantyhose brand. Now, country star Barbara Mandrell is singing the praises of the prune. Sunsweet Growers next week will break five 15-second TV spots for its Sunsweet prunes: Ms. Mandrell stars in all five but doesn't sing. Instead, in rural and theatrical settings, she tells consumers how sweet and tasty the pitted prunes are.

Sunsweet signed Ms. Mandrell to a multiyear contract because of her popularity with women 45 and older, the primary prune buyers, said Bob Swensen, Sunsweet's VP-marketing.

J. Walter Thompson USA, San Francisco, created the commercials, which will run during network daytime and early evening programming. □

Nike eyes the ladies

Growth prospects alluring in that segment

By Marcy Magiera

Nike is trying to strengthen its game in the women's market with the double team of the Nike and Side 1 brands.

The company is already so strong in the men's segment, observers say, that any further increase in share will be relatively small. So the leading athletic shoe marketer is focusing on women for growth.

Nike plans to boost its $12 million media budget for Nike brand women's shoes significantly in fiscal 1993, starting in June, and in spring may break its first TV advertising aimed specifically at women.

This month, the Side 1 brand gets its first product-specific advertising, with TV spots for walking shoes and the Sculptor aerobic shoe.

Print ads in *Glamour, Cosmopolitan, Shape* and *Women's Sport & Fitness* will also be used.

"Fits like a glove. Feels like love," the voice-over in the Sculptor spot says; the new walking-shoe spot will use Side 1's established "All sides are the same side" theme.

Side 1 is also introducing fitness apparel this month in such retail chains as Nordstrom, Macy's and Lady Foot Locker.

Nike is looking to women's shoes and apparel for growth.

"Apparel is really going to help us merchandise the footwear," said Deb Johnsen, general manager of the Side 1 division.

Spending on Side 1 is expected to be about $8 million through the holiday season, she said.

Nike is supporting Nike brand women's shoes with a $6 million print campaign this fall, in magazines including *Cooking Light, Country Living, Elle, People, Mirabella* and *Vanity Fair*.

A series of double spread ads for aerobics, walking, running and cross-training shoes tells young women they don't have to live up to anyone else's perceptions.

Wieden & Kennedy, Portland, Ore., creates advertising; SFM Media, New York, does placement.

Nike introduced Side 1 in 1989 as fashion footwear. Last spring, Nike spent $8 million to relaunch the brand as a fashion-forward athletic shoe, Ms. Johnsen said.

Commercials are running nationally on MTV: Music Television and on a local basis in San Francisco, Los Angeles, Chicago and Portland.

"There's no question that the women's area is a high priority" for Nike, said John Horan, publisher of *Sporting Goods Intelligence*, an industry newsletter. But he questioned Nike's emotional approach in women's marketing.

Nike's "men's marketing is very hip and sassy," Mr. Horan said. "But they seem to think they have to talk to women with a different voice, almost so that you'd never know it's the same brand." □

Chiat lures Babbit to Big Apple from Atlanta

By Jon Lafayette and Leslie Bayor

Joel Babbit, one of the "bad boys" of Atlanta advertising, is leaving as president of Babbit & Reiman to join Chiat/Day/Mojo as exec VP-general manager of its New York office.

Chiat has been looking for someone to run the unit since office President Bob Perkins left to join Pizza Hut in March. His departure forced Chiat North America Chairman-CEO Bob Wolf to run the office.

It's expected Mr. Wolf will stay in New York and pass some of his office responsibilities to Mr. Babbit. The post of president of the New York office will remain unfilled.

Mr. Babbit and Joey Reiman founded Babbit & Reiman in 1986 and sold the agency to Gold Greenlees Trott, London, for $2.3 million in 1988, when billings were $40 million.

Billings at the agency, known for its bragging, in-your-face style of advertising as well as for the creative awards it won, reached $50 million last year.

Mr. Babbit, 38, said the fact that he no longer owns the agency contributed to his decision to leave.

"I guess to some extent when we sold the agency we achieved a goal by building up an agency and selling it," he said. "Now I'm ready for a new challenge."

J. Babbit

Chiat was "the only agency that could have drawn me away," Mr. Babbit said. "I thought I'd be here for the rest of my life."

Mr. Babbit was replaced by Michael Gaffney, 52, general manager of the agency.

"I am comfortable about leaving since Mike Gaffney is taking over as president and the firm is in the best shape," Mr. Babbit said.

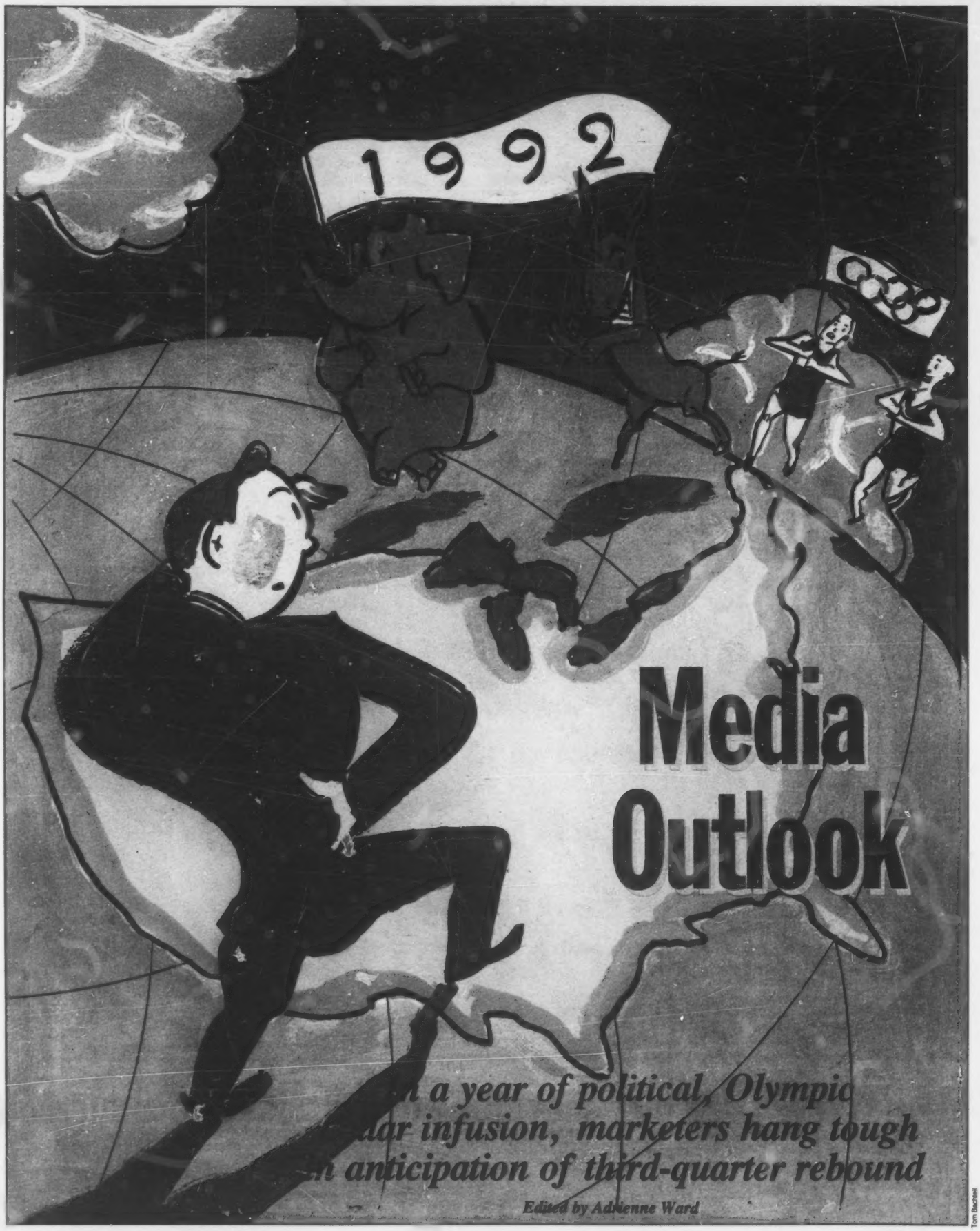
"Last year, we had some problems with the loss of the Trump Casino and FNN accounts," he continued. "But this year, we recently won several new accounts, including the $6 million GTE Mobile account, and had no losses. I know that things will continue to be successful since the management and clients are in place."

Mr. Reiman, the agency's chairman, said he's happy for his partner and optimistic about the future, adding, "The friendship will always be there. Joel had a unique opportunity, which I understand."

"I don't know what it means for Babbit & Reiman's future," said Austin Kelley, ceo of Austin Kelley Advertising, Atlanta. "Since Gaffney has been there, there might be a settling effect on the agency.

"However, maybe the controlled chaos was the secret of their success. Joel and Joey were like ham and eggs, or brothers. The divorce is a surprise."

"I'm shocked. I can't see Joel working for someone else, since he is an entrepreneur," said Jan Pringle, president of Pringle Dixon Pringle. □



Media Outlook

...n a year of political, Olympic ...dar infusion, marketers hang tough ...n anticipation of third-quarter rebound

Edited by Adrienne Ward

Tom Bachtell

Inside:

Network TV: Potential roar turns into whisper. Page S-4 **Cable TV:** Right place, time. Page S-18 **Magazines:** At least a crisis is averted. Page S-20 **Newspapers:** 'Limp-wristed recovery at best.' Page S-22 **Radio:** Eager to listen to politicians. Page S-25 **Out-of-home:** Unusual areas looked upon to ease the squeeze. Page S-27

Anticipating the breakthrough

All eyes on the third quarter for the turnaround, though some call '92 recovery 'puny, punky'

Media executives are wishing they could fast-forward to the third quarter of next year.

Economists and media executives alike are writing off the year's first half, but many are holding out hope that the economy—and ad spending—will turn around by midyear.

Because average media prices for the first quarter of next year were negotiated in the midst of the 1991 recession, the first half is not going to be strong, says Robert Coen, senior VP-director of forecasting for McCann-Erickson Worldwide, New York.

His medium-by-medium predictions of unit cost and cost-per-thousand increases appear throughout this Special Report under the banner "Coen Watch."

But Mr. Coen predicts media price increases likely will make a comeback in the second half of 1992.

An improved economy will prompt a shift in supply and demand, he says, bringing prices up as demand tightens.

Some economists are not quite as sanguine about next year's potential.

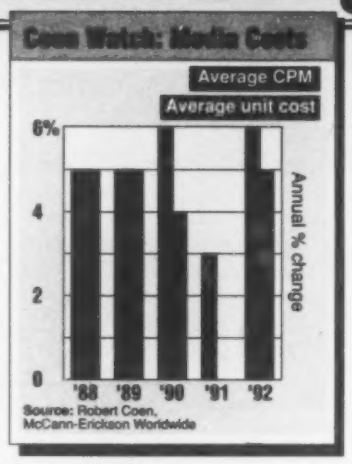
At a recent 1992 forecasting conference held by the Television Bureau of Advertising, Alan Sinai, exec VP-chief economist of Boston Co., predicted 1992 would see an economic recovery, but that it would be "puny, punky, crummy."

In contrast to previous economic recovery years, which saw the U.S. economy grow an average of almost 6.8%, the 1992 recovery will grow only 2%, Mr. Sinai says.

At that same conference, Mr. Coen predicted a more optimistic growth of 6% to 7%. He says 1992 ad spending should rise about two percentage points above that, forecasting an 8% to 9% growth rate in 1992.

"I don't think we even need a robust recovery, just an assurance that it's not getting any worse, and maybe it's getting better," Mr. Coen says.

He believes that by next summer, economic recovery will be visible, and that the Summer Olympic Games and political ad spending will fuel the fires of media price increases. In the fourth quarter, he predicts, price hikes should start to outpace general inflation rates.



Ed Atorino, VP-senior analyst of Salomon Bros., concurs with Mr. Coen's assessment of the economy, saying, "I'm a little cautious short-term, but I think we are going to see some mid-single-digit gain next year with a slope toward the second half and maybe some surprises down the road."

Alan Gottesman, a research analyst with PaineWebber, says should such a surprise in the form of an economic upturn come, it would probably kick in a dramatic uptick in national ad spending.

"It can swing back very fast, because the one thing marketers are afraid of is the competition," he says.

"The turn could come incredibly quickly; I just don't hear any signs of it coming," Mr. Gottesman says.

—Joe Mandese

Potential roar turns into whisper

Even political, Olympics dollars won't pump up the volume at nets

By Joe Mandese

Can a quadrennial year overcome a double dip?

Advertising forecasters contemplating the impact a renewed economic recession would have on 1992 Olympic Games/political TV spending don't think so.

Indeed, for most, it's not merely a question of 1992 being the worst quadrennial TV spending year ever recorded, it's a question of how bad it will get.

If the national economy begins to recover as many expect, forecasters say 1992 TV ad spending will grow slightly over 1991 levels but still will be soft for a quadrennial year.

However, if a secondary recession follows the current one, they say TV ad spending would continue its current slide downward.

Even the normally bullish Television Bureau of Advertising is predicting fairly dour growth for TV ad spending in 1992.

Overall, TvB predicts TV ad revenues will grow 4% to 6% over 1991, with the biggest gains coming from cable TV, up 8% to 10%, and syndication, gaining 7% to 9%.

Network revenues are expected to rise only 4% to 6%, and spot TV and local TV are both expected to grow only 3% to 5%.

While this would signal an improvement over 1991 spending levels, which were down 4.9% through the first six months of the year, it is considerably inauspicious for a quadrennial year.

In the last quadrennial year of 1988, for example, TV ad volume rose 7.5%, according to TvB. That was the first quadrennial year since 1960 that didn't score double-digit increases.

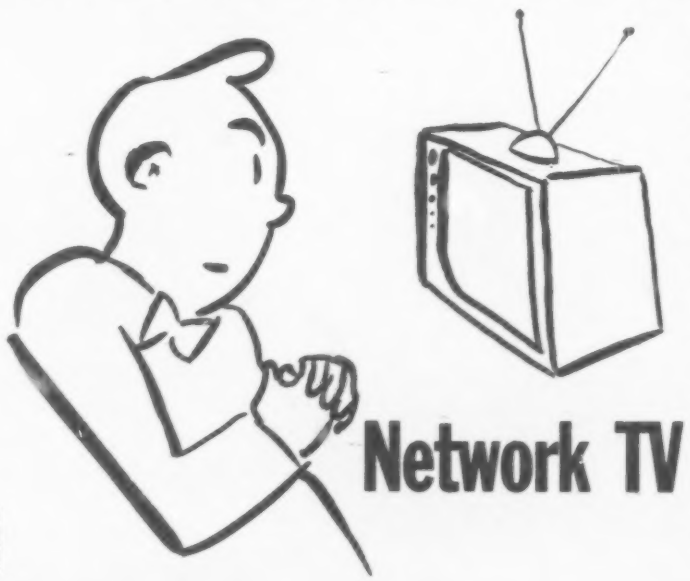
Moreover, 1992 will be the last true quadrennial year. Beginning in 1994, the Winter and Summer Olympics will alternate every two years, creating two moderate biennial Olympics/election years.

As for 1992, agency executives are less optimistic than even the TvB's relatively conservative estimates.

"Everyone is really guessing what the economy in 1992 will be, but we are much more conservative than everybody else," says Steve Farella, exec VP-media director of Young & Rubicam, New York. "We think the advertising business will have very soft growth in the range of 3% to 5%."

Mr. Farella says changes in the national economy are key to any improvement in TV ad spending.

"You can't just look at the media marketplace; you have to look at product sales and how comfortable people are with spending money. There still is not a sense of confidence in the marketplace," he says.



> "We're more conservative than everybody else about the economy in 1992."

Jay Schoenfeld, exec VP-media director of Backer Spielvogel Bates, New York, concurs with that assessment, noting he has recently begun downgrading his agency's media spending estimates for 1992 based on new economic forecasts.

Originally, Backer had been predicting network TV would rise 5.6% to $11.3 billion and spot TV would grow 3.5% to $16.4 billion.

While he has not arrived at a revised number for 1992, Mr. Schoenfeld says, "I'm beginning to think we're a little high based on some of the buys we're seeing. I was more optimistic a few months ago."

Based on early TV ad spending, there is going to be a slow start to 1992. During the 1991-92 upfront buying season early last summer, the upfront pie for prime time shrunk nearly 20% to $3.5 billion.

Moreover, two of the Big 3 networks, CBS and NBC, sold a higher percentage of their annual inventory to attain that level. ABC sold less than it normally does, but all three networks discounted their prime-time prices in the upfront.

"There is an imbedded slow start on the network side of the business, just because of the upfront buying," says John Reidy, managing director and senior analyst at Smith Barney, Harris Upham.

With upfront sales for the 1991-92 season so poor, the networks' 1992 fortunes will depend largely on demand from advertisers for the remaining inventory in the scatter market.

That demand appears questionable. Although it's a quadrennial year, experts say the Big 3 TV networks will get little benefit from campaign spending by presidential candidates.

"In the national election, there is possibly less money available than was available four years ago," says David Garth, political consultant and president of the Garth Group.

He says President Bush's strong lead and the lack of a Democratic front-runner early in the race will lead to lower spending, as well as the fact that there is less matching campaign fund money available from the Federal Elections Commission.

TvB estimates appear to bear that out. Network TV spending by political can-

(Continued on Page S-8)

Coen Biotch: Network TV

Snail's pace

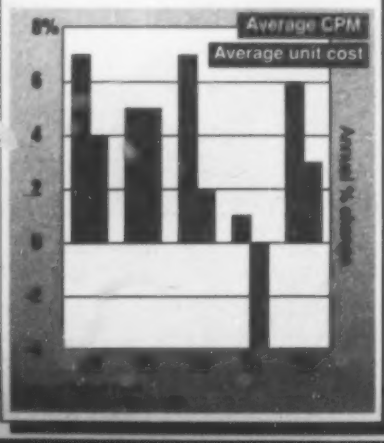
Network price increases will be off to a slow start in 1992, but by yearend, prices should be considerably firmer.

In most upfront agreements negotiated in the midst of the current recession, prices were held in check or in some cases declined. These agreements will help to hold down the average increases through the first three quarters of 1992.

However, the exceptional bargains in scatter buys are likely to disappear as the economy picks up next year.

Network unit costs could rise about 4% with costs-per-thousand up 7%. Prime-time unit prices and CPMs are likely to be up slightly more than total network averages.

—Robert Coen



"Prices are either the same as or higher than upfront rates, which is surprising people. Things are not as soft as people thought.'

Net TV

(Continued from Page S-4)

didates in 1992 is expected to decline $30 million, down 22% from 1988 figures.

However, TvB predicts a better political spending picture for TV stations. Spot TV spending by political candidates will rise to $200 million, a 6% increase over 1988.

Meanwhile, the networks will not get the boost from Olympics-related spending that they normally get in a quadrennial year, because most Olympic ad funds come out of existing budgets vs. the incremental spending that normally helps tighten the marketplace in quadrennial years.

Industry sources estimate more than 50% of all Olympics ad spending will come out of existing budgets.

Moreover, Olympics advertisers are paying less than what the networks had originally been asking. Last summer CBS began discounting its Olympics rate by as much as 15% and added inventory to early advertisers' packages to compensate them for the difference.

It also has been reported that NBC discounted its Olympics rate.

With as much as 25% of its Olympics inventory remaining, buyers say CBS' strategy for selling the remainder of its time is key to the health of the first quarter of the 1992 network TV marketplace.

"The first quarter to me is the real wild card," says Steve Grubbs, senior VP-national broadcast buying at BBDO Worldwide, New York.

"It depends largely on what CBS does with its Olympics sales to move its remaining inventory," he adds.

"If it decides to go into deep discounting and pull dollars out of the scatter market, things could remain soft in the first quarter," he says.

"If it doesn't do that, then I believe the first quarter will be a little tighter."

However, Mr. Grubbs believes market conditions already are improving, and he predicts the second and third quarters will be "premium priced.

"If the economy turns around just a little bit, you could see some pretty significant premiums in those quarters," Mr. Grubbs says.

There already are encouraging signs, he adds, noting that fourth-quarter network budgets are beginning to "trickle in" from clients.

As recently as late September, some buyers were saying the fourth-quarter network TV marketplace appeared to be nudging out of its yearlong recession, with prime-time scatter prices rising over upfront for the first time since the fourth quarter of 1990.

"Prices are either the same as or higher than upfront rates, which is surprising people," says McCann-Erickson Worldwide Exec VP-Director of National Broadcast Joel Segal.

However, Mr. Segal says it is too early to tell if the demand will continue.

" 'Tightening' would be too strong a word, but things are not as soft as people thought they would be," he says.

"Prices are edging over the upfront," says Larry Hoffner, exec VP-network sales of NBC. "It's nothing significant, but we're in the month of September, which has always been a problem month, even in the best of years."

However, Mr. Hoffner is projecting healthier gains in October, November and December.

"I don't know that we'll ever see an acceleration, where pricing will jump by 30%," he says. "I think we're looking at a gradual, but steady, growth in the market."

But George Hayes, senior VP-director of McCann's Comcord Group and media director for its Nestle USA account, says even a slight improvement may be enough to loosen ad budgets.

"There are some indications that things are getting better. But a lot of this is psychological, so even a little trickle will fuel some optimism. And that will affect how people release budgets and spend their money," he says. □

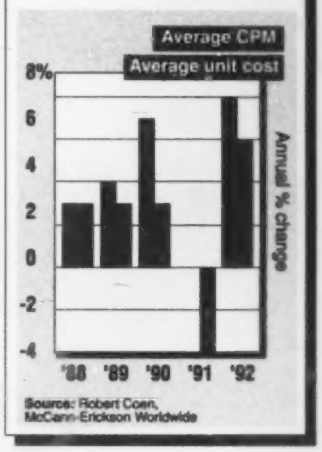
Looking for a turnaround

The litany of bad news was no friend to spot TV in 1991. The recession, weak retail business, lack of political activity and the absence of product introductions reduced spot ad demand and prices.

As the economy improves in 1992, spot TV ad demand should turn around and prices should gradually firm up.

Overall spot TV rates are expected to be up 5% to 7% in most markets. Costs per thousand also will go up as audience shares per TV station become more diluted.

—Robert Coen



Ed Graf & Sons, Waltham, MA

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You can't beat the people who watch us. They're the most loyal you'll ever find.

And you'll find them all together. Only on TNN: The Nashville Network.

TNN
THE NASHVILLE NETWORK.
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"American industry doesn't seem to be buying the bit a new campaign will be good for business in general; there's still a lot of caution."

Jerry Dominus
J. Walter Thompson Co., New York

"The impact [of the Olympics and presidental election] is simply how they are felt in the equation of supply and demand."

George Mahrlig
Campbell Soup Co.

"Once '92 begins, I think the momentum will really carry through and it will be at a much faster pace; we will see the results much faster."

Peter Chrisanthopoulos
Network Television Association

SPEAKING WITH AUTHORITY

Traditional quadrennial boom more of a 'blip' this time

Jerry Dominus, senior VP-director of national TV & programming, J. Walter Thompson Co., New York

"I don't think we're going to see a bump [in advertising]. I think we'll see a modest blip.

"Presidential elections, particularly this one, which is likely to be a 'semi-foregone' conclusion, generally don't pump a lot of money into the medium.

"American industry doesn't seem to be buying the bit [that] a new campaign will be good for business in general. There's still a lot of caution out there.

"Much of the Olympics spending will be a cannibalization of money that would otherwise have been spent in business-as-usual efforts. There aren't any significant one-time-only appropriations coming to build up [ad] coffers.

"I don't think it will be back to business-as-usual, the traditional four-year boom. Not this time."

George Mahrlig, director of media services, Campbell Soup Co., Camden, N.J.

"The [Olympics and presidental election] will have some impact; it's a question of degree. Their impact is simply how they are felt in the equation of supply and demand.

"In the past, going back two or three Olympics, the major sponsors had separate budgets, incremental funds that they used, so their media budgets went up those years to participate in the Olympics. But the number of advertisers with incremental budgets has declined.

"More and more of the Olympic spending is being taken from that quarter's national television budget. This year it's interesting that the networks have still not sold out the Olympics.

"It would appear the amount of incremental dollars are at their lowest. And the base from which they're working on a supply side, there's somewhat more supply because the market's not been as strong.

"The national elections are always incremental dollars because [politicians] don't advertise otherwise. So that will have an impact, but here again the degree of impact is dependent upon where the supply side is starting from. In an already tight market it will have an exaggerated effect.

"It can take a soft market and tighten it up considerably. So as the market begins to recover somewhat in the second and third quarters, when election commercials begin to go on the air, it could either represent the recovery or tighten up the market significantly."

Peter Chrisanthopoulos, president, Network Television Association, New York

"1992 has several forces working for it. First of all, the recession will be completely over in 1992.

"Second, the effects of the war on slowing business decisions will be way behind us.

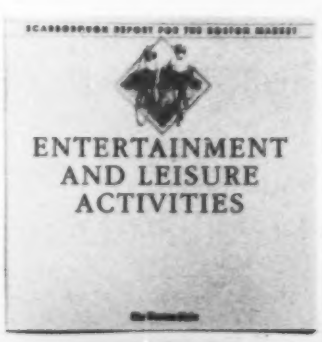
"Third, the Olympic and election years both tend to boost spending on network TV overall.

"And it's also the 500th anniversary of Columbus' discovering America and that is yet another promotion, another opportunity that clients will focus on and take advantage of and also boost spending in media.

"Once it begins, I think the momentum will really carry through and it will be at a much faster pace; we will see the results much faster. Advertisers were cautious in 1991 and we forecast they will be more aggressive in their expenditures in 1992."

—Laurie Freeman

THE ONLY TIME THE BOSTON GLOBE WILL REVEAL ITS SOURCES.



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It's no secret that The Boston Globe offers the greatest reach of any newspaper in New England. (Although it may surprise you that The Globe's audience is several times larger than even the largest Boston television station's.*) But what's even more impressive is how well The Globe can help you target specific audience segments. In fact, the Boston Scarborough Report shows that no one can help you talk to the people you want to reach better than The Globe. And no one knows the Boston market better than The Globe. The data in our Scarborough audience and retail books and our category brochures like Travel,

The Boston Globe

It all depends on how you use it.

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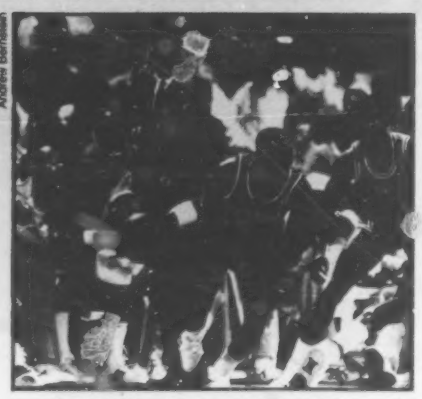
*1990 Scarborough Report on the Boston Market.

Andrew Semel

Heavy cast publicity is putting the public stamp of approval on "Beverly Hills 90210."


Andrew Bernstein

The NBA is looking like an ad-time sellout, one of the few success stories in sports business.

Ron Tom

Viewers are reacting to "Homefront" like it's the wrong war at the wrong time.

Chris Haston

"The Adventures of Mark & Brian" sends a fuzzy signal to Saatchi & Saatchi.

Network TV: *Hot*

On the rebound: With a strong prime-time ratings gain last season and an impressive start to this season, CBS is the network on the come. The network's baseball playoffs, World Series, Winter Olympics and Super Bowl give agency executives reason to expect CBS' upward momentum to continue. A new "advertiser-friendly" and pragmatic sales strategy has agency media buyers feeling high about the network, too.

Executive strength: CBS Entertainment President Jeff Sagansky and Senior VP-Program Planning Peter Tortorici appear to be engineering the greatest prime-time comeback story since NBC shifted from third to first place in the mid-1980s. A former NBC Entertainment executive during that period, Mr. Sagansky now is working that magic for CBS.

Royal treatment: Based on the proven track record of series star Redd Foxx, agency executives predict CBS' "Royal Family" will be a success.

Hospitality: Some agency executives predict NBC's "Nurses," a comedy about five hospital nurses, will be the biggest hit of any new series this season. The show debuted to high ratings.

Teen torpor: Billed by agency executives as "teensomething," Fox's "Beverly Hills 90210" drama about teen-age angst features plenty of emerging heartthrobs and heartthrobettes. A heavy summer promotional effort by Fox's publicity team landed the cast on seemingly every consumer magazine cover, as well as much of the TV talk-show circuit.

Hoop heaven: With bigger-than-life personalities like Michael Jordan, Magic Johnson, Larry Bird and Isiah Thomas, the National Basketball Association has emerged as one of the few success stories in network sports programming. Audience ratings are healthy and agency executives expect ad units to sell out for this season's coverage.

Love in the afternoon: After five years of downward momentum, daytime sales have skyrocketed during the 1991-92 upfront and scatter markets. While daytime ratings declined 6% last season, daytime has become one of the most efficient ways of reaching viewers. Daytime CPMs currently average about $3.50 vs. about $8.50 for prime time.

Network clutter—a heated issue: A recent joint study from the American Association of Advertising Agencies and the Association of National Advertisers demonstrates the networks continue to add commercial and other forms of non-programming time to their schedules in all dayparts. The ad industry has adopted the view that such expansion violates ad contracts, which are negotiated based on an assumption of commercial loads and a minimum length of program time.

Top of mind: The financial interest and syndication rules, which limit the Big 3 TV networks' ability to own and sell TV shows, are being challenged on all sides. The FCC is expected to reconsider its position soon, but the issue ultimately is expected to end up in court.

Network TV: *Cold*

Downwardly mobile network: With a 13% prime-time ratings loss last season and mixed results early this season, NBC's prime-time fortunes appear to have reversed themselves. Though the network still has some of the most coveted shows on prime time, many of those series are aging, and agency executives question whether the new shows will click with viewers. NBC also has taken big losses in daytime, early morning, Saturday morning and late night.

No one's home: Who would have thought a TV series about the assimilation of World War II veterans and their families in a Midwestern city during the 1940s would appeal to post-Persian Gulf War TV audiences of the 1990s? Not ad agency media executives. Despite a strong lead-in from ABC's hit "Coach," "Homefront" got low audience share projections from agency forecasters.

Post script: A new season report from McCann-Erickson describes CBS' "P.S. I Luv U" as "ordinary." The report also predicts the series has "dim prospects" for success. The show is about a New York cop and a government informant who pose as husband and wife in the witness protection program.

NBC tune out: "Will anyone who doesn't know who Mark and Brian are tune in to find how funny they can be?" asks Saatchi & Saatchi in its new season report. Apparently not. The agency described its chances as somewhere between a "maybe" and a "long shot."

Ultimately a flop: Fox's action/reality series "The Ultimate Challenge" may be aptly named. Predicts McCann-Erickson: "This show's appeal will be primarily men and boys who like watching bungee jumping off the Empire State Building, paraponting or, most enlightening of all, monster truck tractor pulling."

Strike three: Although World Series ratings rose 27% last fall, audience levels for the Major League Baseball playoffs fell 7%. With small-market baseball teams playing in this fall's games, agency executives predict MLB ratings may suffer, as well as CBS' sales efforts.

Too late: After several years of rapidly escalating demand, late night has gotten too expensive for many advertisers. At an average CPM of about $6.50, late night's expense is second only to prime time and some sports. Maybe Johnny chose the right time to leave.

15-second spots: Although clutter is on the rise, it's not coming from more short-form commercials. While :15s rose as a percentage of total commercial volume throughout the 1980s, they began to wane in 1991.

Cooling off: The prime-time access rule, which requires network affiliates to air non-network programming in the time period preceding prime time, is no longer considered a front-burner issue. Instead, the Big 3 networks currently are talking about the possibility of reducing their prime-time hours, not expanding them.

Network TV spenders cut back...

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

	Parent company	Jan.-June '91	Jan.-June '90	% change
1.	General Motors Corp.	$267,084.0	$268,841.1	-0.7%
2.	Philip Morris Cos.	238,151.2	229,160.7	3.9
3.	Procter & Gamble Co.	222,797.5	277,115.1	-19.6
4.	PepsiCo	131,936.3	111,862.9	17.9
5.	Kellogg Co.	117,419.5	163,495.7	-28.2
6.	Johnson & Johnson	114,233.6	100,335.9	13.9
7.	Ford Motor Co.	107,954.1	109,471.4	-1.4
8.	Sears, Roebuck & Co.	93,655.1	145,870.0	-35.8
9.	Unilever NV	92,627.7	113,991.8	-18.7
10.	McDonald's Corp.	89,366.3	124,100.7	-28.0

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

	Trade name	Jan.-June '91	Jan.-June '90	% change
1.	Kellogg's cereals	$96,[illegible].8	$143,998.0	-33.1%
2.	McDonald's restaurants	89,366.3	124,100.7	-28.0
3.	AT&T Co.	85,037.9	111,626.1	-23.8
4.	Miller beer	67,628.6	49,294.0	37.2
5.	Ford passenger cars	63,511.6	53,187.5	19.4
6.	General Motors cars	46,800.1	38,922.3	20.2
7.	MCI Communications Corp.	45,438.3	16,614.7	173.5
8.	Budweiser beer	42,354.5	41,432.6	2.2
9.	Burger King restaurants	37,276.7	62,689.3	-40.5
10.	Toyota cars	37,233.0	35,086.0	6.1

...but don't hit spot TV as hard

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

	Parent company	Jan.-June '91	Jan.-June '90	% change
1.	PepsiCo	$137,249.3	$141,890.1	-3.3%
2.	Philip Morris Cos.	129,158.0	128,603.9	0.4
3.	Procter & Gamble Co.	108,324.0	131,806.2	-17.1
4.	General Mills	90,466.0	84,983.5	6.5
5.	McDonald's Corp.	74,305.4	69,888.9	6.3
6.	Toyota Motor Corp.	57,544.8	47,535.3	21.1
7.	Nissan Motor Co.	50,597.6	43,792.3	15.5
8.	General Motors Corp.	50,509.7	55,846.9	-9.6
9.	Unilever NV	47,414.7	29,917.9	58.5
10.	Anheuser-Busch Cos.	46,002.1	43,961.7	4.6

Source: LNA/Arbitron Multi-Media Service

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

	Trade name	Jan.-June '91	Jan.-June '90	% change
1.	McDonald's restaurants	$74,305.4	$69,888.9	6.3%
2.	Toyota cars	36,474.1	28,232.1	29.2
3.	Nissan cars	36,034.7	28,659.2	25.7
4.	Taco Bell restaurants	32,886.6	36,891.3	-10.9
5.	Kellogg's cereals	31,594.9	16,409.7	92.5
6.	Pizza Hut restaurants	30,953.0	29,965.6	3.3
7.	Miller beer	25,555.5	17,545.3	45.7
8.	Budweiser beer	22,264.0	19,174.8	16.1
9.	Hardee's restaurants	21,426.4	18,354.3	16.7
10.	Wendy's restaurants	21,394.1	20,656.4	3.6

Source: LNA/Arbitron Multi-Media Service Note: Trade names include all products/services of the same name in an LNA subclassification.

The MTV logo is proving to be a popular label in cross-media deals.

Cable TV: *Hot*

Tailor made: Cable networks are investing more dollars on producing original programming, resulting in higher-quality shows, series, specials and movies. Some of the noteworthy include: Discovery Channel's "People of the Forest: The Chimps of Gombe," Arts & Entertainment Network's "First Flights" and USA Network's "USA's Gonzo Games."

Crossing the line: Cable networks have entered into the cross-media arena in a big way. Leading the pack are Cable News Network, which has joined forces with *USA Today*; MTV and *Newsweek*; and USA Network and its partnership with *McCall's*.

All for one! Programming and production partnerships between cable and broadcast networks are increasing. Two recent examples: NBC aired a show called "Hi, Honey, I'm Home" produced by Nick at Nite. CBS and USA Network again shared coverage of the U.S. Open Tennis Tournament.

Hitting the target: Narrowly targeted networks such as Lifetime, Discovery and Family Channel should fare best as marketers look to pinpoint potential audiences.

High-tech talk: Technology such as video compression that will allow for increased channel capacity is a hot topic, but it's far from becoming reality.

Capitol issue: Cable reregulation issues will heat up again in 1992 as broadcast networks increase lobbying efforts against cable.

Rave reviews: CNN proved to be a major force in TV news with acclaimed coverage of the Persian Gulf War. Ratings soared during CNN's war coverage and again during the attempted coup in the Soviet Union.

Cable TV: *Cold*

Despite the war: CNN failed to convert its ratings blips during the Persian Gulf War and Soviet coup into permanent increases. Buyers say it lost a golden opportunity to build on its momentum.

Striking out: ESPN continues to lose a bundle on big-name sporting events for which the network paid big bucks.

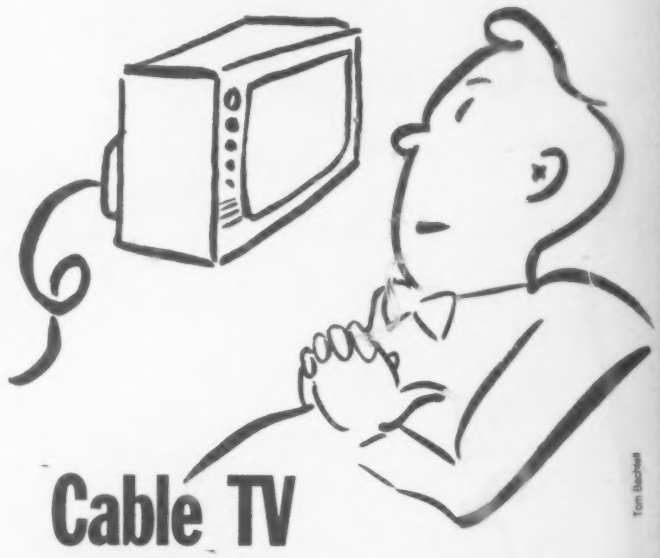
Double trouble: Double-digit cost-per-thousand increases are history, at least for a while, say buyers and cable executives who cite a "marketplace correction" in CPM gains.

The national pastime is putting a strain on the bottom line for ESPN.

Right place, right time

But days of 20% are gone, requiring some adjustments

By Alison Fahey



Unlike most other media executives, cable leaders are optimistic for 1992.

The cable TV industry is going to experience strong growth in 1992, but at a slower pace than in past years, insiders predict.

After becoming accustomed to years of record-breaking ad revenue increases, which in some years exploded by 20%, cable networks in 1991 got a dose of reality as recession-wary marketers played it close to the vest.

At the same time, the embattled broadcast networks wooed advertisers with steep discounts on costs per thousand, particularly during the upfront selling season.

Looking ahead to 1992, cable sales executives are guardedly optimistic about ad revenue growth, mostly because an economic turnaround isn't expected until midyear.

"In general, I don't think anyone is projecting the growth rate in national ad spending for 1992 that there was in 1991 or 1990. There's a more cautious approach," says Joe Uva, exec VP-CNN Sales.

"Ad spending [recovery] lags economic recovery somewhat, but I do believe the market will be stronger throughout 1992 than it is in the second half of 1991," he says.

Overall, Mr. Uva predicts a "fairly strong" 1992 for the cable industry.

More cautious is John Silvestri, exec VP, USA Network. "I think 1992 will be a little better than 1991—not much," he says.

Still, cable networks should reap double-digit ad revenue growth, again outpacing their broadcast counterparts.

"Cable is still very well positioned for growth," says Erica Gruen, associate director of new media and TV information, Saatchi & Saatchi Advertising, New York, who notes that narrowly targeted cable networks probably will fare best.

"It will continue to benefit from the fact that it's still a cost-efficient medium and also because advertisers' dollars tend to flow where the audience is, and cable viewership and penetration continue to grow."

Mr. Silvestri predicts cable ad spending in 1992 will grow about 10% to 12%, compared with 12% to 14% gains projected for 1991.

"The cable industry is going to continue to grow significantly faster than the rest of the TV industry," predicts Bill McGowan, senior VP-ad sales, Discovery Channel.

The Television Bureau of Advertising, in a September report forecasting 1992 TV revenue gains, put cable at the top of the list, growing 8% to 10%.

That compares with 3% to 5% revenue gains for both local and spot TV; 4% to 6% increases for network TV; and 7% to 9% hikes for syndicated TV.

Overall, cable revenues will outpace total TV revenues, which TvB predicts to grow 4% to 6%.

Cabletelevision Advertising Bureau is even more optimistic about the industry's 1992 outlook, even though its forecast shows a slowdown in growth.

It predicts total cable ad revenues will rise 17% to about $3.6 billion in 1992. In 1991, CAB projects total ad revenues will grow 19.1% to $3 billion.

John Barbera, president of Turner Broadcasting Sales, says Turner is looking for 11% ad revenue growth for the industry in 1992, compared with 13% for 1991.

"The total advertising industry won't be growing as fast as last

(Continued on Page S-20)

Cable spending by brands, companies plugs along

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

	Parent company	Jan.-June '91	Jan.-June '90	% change
1.	Procter & Gamble Co.	$29,432.9	$25,546.7	15.2%
2.	Time Warner	19,608.6	25,682.8	-23.7
3.	General Motors Corp.	14,933.4	10,062.8	48.4
4.	Philip Morris Cos.	14,463.7	14,249.4	1.5
5.	General Mills	14,445.9	12,305.7	17.4
6.	Anheuser-Busch Cos.	13,102.9	11,945.5	9.7
7.	RJR Nabisco	11,662.2	12,115.3	-3.7
8.	Sears, Roebuck & Co.	11,322.9	9,905.9	14.3
9.	PepsiCo	9,745.6	5,971.7	63.2
10.	Mars	9,019.1	6,338.5	42.3
11.	Eastman Kodak Co.	8,992.5	6,418.1	40.1
12.	Ford Motor Co.	8,268.0	4,146.9	99.4
13.	AT&T Co.	8,162.7	5,928.6	37.7
14.	American Home Products Corp.	8,115.5	4,621.2	75.6
15.	McDonald's Corp.	7,152.8	4,481.5	59.6
16.	Wm. Wrigley Jr. Co.	6,263.1	4,556.2	37.5
17.	Nestle SA	6,083.5	5,740.1	6.0
18.	Grand Metropolitan	5,834.8	4,258.7	37.0
19.	Ralston Purina Co.	4,914.8	3,045.1	61.4
20.	Coca-Cola Co.	4,909.6	1,568.5	213.0
21.	Chrysler Corp.	4,869.1	4,611.0	5.6
22.	Unilever NV	4,843.8	3,672.1	31.9
23.	Johnson & Johnson	4,613.4	3,075.1	50.5
24.	Kellogg Co.	4,665.2	1,510.7	208.8
25.	Levi Strauss & Co.	4,495.6	4,701.9	-4.4

Source: LNA/Arbitron Multi-Media Service

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

	Trade name	Jan.-June '91	Jan.-June '90	% change
1.	Budweiser beer	$10,533.7	$7,440.1	41.6%
2.	AT&T Co.	8,090.6	5,443.7	48.6
3.	McDonald's restaurants	7,152.8	4,481.5	59.6
4.	Wrigley's gums	6,173.6	4,484.2	37.7
5.	Ford cars	5,784.8	1,762.7	228.2
6.	"Sports Illustrated" magazine	4,724.0	5,365.6	-12.0
7.	Levi's sportswear	4,495.6	4,701.9	-4.4
8.	Nabisco cookies & crackers	3,995.6	4,175.2	-4.3
9.	Burger King restaurants	3,697.2	2,679.7	38.0
10.	MCI Communications Corp.	3,491.9	1,210.4	188.5
11.	Kellogg's cereals	3,212.7	877.6	266.1
12.	Upjohn Co. general promotion	3,167.9	336.2	842.3
13.	Time-Life books	3,136.3	4,708.6	-33.4
14.	Troy-Bilt lawn & garden equipment	3,041.1	1,711.5	77.7
15.	Sears, Roebuck & Co. household	2,911.2	2,790.8	4.3
16.	Nintendo games	2,840.0	1,027.0	176.5
17.	Miracle-Ear hearing aid center	2,839.3	751.3	277.9
18.	"Wall Street Journal"	2,826.0	2,495.1	13.3
19.	Audio Communications phone services	2,770.3	271.5	920.4
20.	Time-Life records & tapes	2,742.4	2,292.8	19.6
21.	Volkswagen cars	2,698.9	2,053.6	31.4
22.	American Express credit card services	2,681.1	1,688.6	58.8
23.	Pizza Hut restaurants	2,671.4	1,824.8	46.4
24.	Time-Life video	2,659.4	3,597.5	-26.1
25.	Sterling cars	2,612.8	–	NA

Source: LNA/Arbitron Multi-Media Service Note: Trade names include all products/services of the same name in an LNA subclassification

SPEAKING WITH AUTHORITY

Too much inventory to make much of a dent

P. Isacsson

D. McCormick

Paul Isacsson, exec VP-director of broadcast programming and purchasing, Young & Rubicam, New York

"I can't recall, since I've been in the business, an Olympics-election year where we haven't had a strong national economy, which generally leads to a strong television economy.

"But I think [the quadrennial year] will not be as impactful as it has been in the past, because since 1988, there's a lot more inventory out there.

"In terms of the Olympics, clients are able to plan better to avoid being caught in the higher-priced periods.

"I do think the national TV market will be stronger; we're starting to see some money come into the market now for fourth-quarter.

"But I don't think the Olympics will have much impact on cable advertising network sales; we're looking at only a 5% to 6% increase next year.

"Cable might benefit from coverage of the presidential election because the conventions or primaries might not be on to any great extent [on network TV].

"This year you may see a continued shift in cable covering things like the national elections, which require a great deal of airtime. I know CNN has plans to do a half-hour a night on the election process starting in January.

"Local candidates may be able to target better, spend their dollars more efficiently on cable, because they can buy a ward or an individual borough.

"There could be a shift in how local political advertising money is spent."

Doug McCormick, exec VP, Lifetime Television, Astoria, N.Y.

"Some of the dollars that went into [previous] Olympics are under a lot more scrutiny now.

"There's probably pressure on the networks to go ahead and attack normal advertising dollars to fill up the Olympics.

"To the extent that that contributed to a less-than-robust sports package, I think the economy took some normal upfront dollars and put them into the Olympics.

"In this environment, dollars were put into the Olympics on a guaranteed basis. And to the extent that the Olympics are guaranteed that puts pressure on the networks doing the guarantees, and it will serve to tighten up the marketplace.

"If the Olympics underdeliver, future time periods will not be available for sale. We have seen some advertisers that are sponsors of the Olympics craft certain specialty packages that herald their participation in the Olympics.

"They've taken those messages beyond the individual networks that carry Olympics. An investment in the Olympic rings is no small commitment, so you want to make sure you're letting people know as many times as possible that you're a supporter of the Olympics.

"If this election stays the way it is, I don't expect there to be as much of an uptick than if it was a contested race.

"Those budgets have a habit of materializing at the last minute. If one were to draw the curve right now, yes there would be an uptick but not the kind of uptick if there were a slugfest. It's more like a lackluster Super Bowl right now.

"There is a fair amount of money that comes in from [political action committees] and to the extent that women's rights and women's issues are important in elections, I think you'll see that category heat up.

Local advertising on a system-by-system basis has been one of the most effective means for political advertisers. They love cable because they can go right into their districts.

"If I'm a local cable seller with a hotly contested race, I'm going to reap a bonanza in the upcoming race."

Jim Desrosier, VP-advertising, MasterCard International, New York

"From our standpoint, if you're a major TV advertiser, you can't be on the tube and just depend on the networks. You have to be in cable.

"If you anticipate the need for that in your plans, as we have, you're going to buy that anyway. [The elections and Olympics] are not going to change your demand for it.

"What it may do is force you to go upfront rather than buying scatter. It's the only way to make sure you have the priority in programming and networks you want.

"It's possible that for those people who are trying to go scatter, that if the Democrats get their act together on a fund-raising level, if the Republicans decide they have to spend heavily to establish credibility on the domestic agenda, you may see some increase in demand on quarterly pricing basis for scatter.

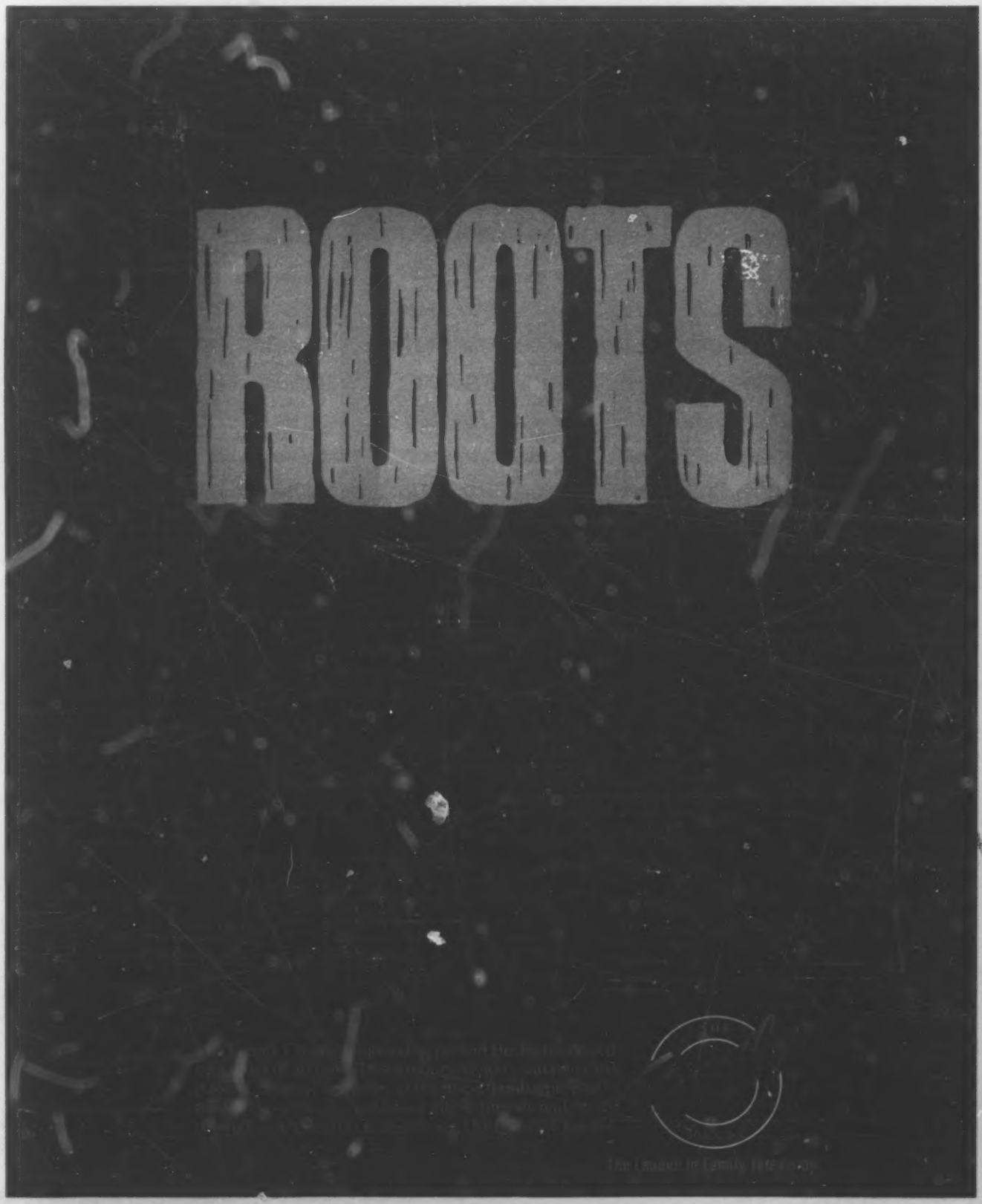
"And [that increase in spending will likely go to] the top six networks like USA, CNN and A&E and Turner, those networks that have fairly well-defined audiences with a high composition of people in a position to influence an election.

"There may be no impact, not until the second half of the year. Then there may be tighter inventory.

"But you'd have to see some heat come on and I haven't seen anything yet.

"The Olympics, I just don't see it. The networks are having trouble selling off the inventory, so right now I don't see any impact on cable."

—Laurie Freeman



Magazines

Flat, but at least crisis is averted

'People on the ad side have gotten used to getting by with less'

By Scott Donaton

With apologies to Yogi Berra, it will be deja vu all over again for the magazine industry in 1992.

Publishers and media buyers say it would be hard for the ad climate to deteriorate any further in 1992, but they're not expecting a strong recovery, either.

Most predicted a weak first half, a stronger second half and a flat finish for the year compared with 1991.

Ad pages for this year will likely be down 10% or more compared with 1990 figures, which were down 3.7% from 1989.

"My sense is more of the same, unfortunately," says James Berrien, senior VP-group publisher, American Express Publishing Corp. "There aren't going to be any big reasons for people to spend a lot more. I think people on the advertising side have gotten used to getting by with less."

But, he adds, "I don't see that it could possibly be worse."

"If magazines can finish 1992 even, I think they're in good shape," says Roberta Garfinkle, VP-director of print media for McCann-Erickson Worldwide, New York. "They're just going to have to fight harder to maintain their share."

Industry observers say they expect to see continued consolidation as more marginal properties are folded or sold.

"We're probably going to see the demise of some additional small titles and small publishing companies, simply because they're not going to be able to compete in the merchandising and value-added arenas," says Ms. Garfinkle.

"I'm still waiting for one of the big ones to fall," says Jack Kliger, publisher of Conde Nast Publica-

(Continued on Page S-22)

GM, foreign automakers fuel magazine growth

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

	Parent company	Jan.-June '91	Jan.-June '90	% change
1.	General Motors Corp.	$116,514.0	$76,648.6	52.0%
2.	Philip Morris Cos.	107,660.2	134,665.8	-20.1
3.	Ford Motor Co.	69,960.3	77,848.9	-10.1
4.	Procter & Gamble Co.	68,503.6	72,484.4	-5.5
5.	Chrysler Corp.	53,638.3	54,717.5	-2.0
6.	Toyota Motor Corp.	51,101.8	37,390.6	36.7
7.	Unilever NV	44,785.8	47,743.3	-6.2
8.	Nestle SA	43,531.8	34,595.0	25.8
9.	Honda Motor Co.	36,324.9	29,037.8	25.1
10.	Grand Metropolitan	35,811.1	37,278.4	-3.9
11.	RJR Nabisco	34,892.3	37,076.9	-5.9
12.	Time Warner	34,792.8	37,220.9	-6.5
13.	American Brands	26,287.5	34,762.5	-24.4
14.	Johnson & Johnson	24,101.3	14,868.9	62.1
15.	Sony Corp.	21,962.4	23,314.3	-5.8
16.	Bradford Exchange	21,079.2	11,584.9	82.0
17.	Allied-Lyons PLC	19,843.5	16,321.1	21.8
18.	Revlon Group	19,811.5	30,504.7	-35.1
19.	Estee Lauder Inc.	19,650.1	15,498.4	26.8
20.	American Protection Industries	18,134.9	13,217.8	37.2
21.	Eastman Kodak Co.	17,333.4	21,668.4	-20.0
22.	Walt Disney Co.	16,574.0	11,951.2	38.7
23.	Capital Cities/ABC	16,219.4	20,904.4	-22.4
24.	General Electric Co.	16,092.4	17,014.7	-5.4
25.	Nike	15,674.8	11,681.8	34.2

Source: LNA/Arbitron Multi-Media Service

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

	Trade name	Jan.-June '91	Jan.-June '90	% change
1.	Ford cars	$34,284.8	$36,483.7	-6.0%
2.	Chevrolet cars	28,733.4	16,556.9	73.5
3.	Marlboro cigarettes	24,649.3	27,700.5	-11.0
4.	Toyota cars	21,655.4	13,809.7	56.8
5.	Honda cars	18,384.5	17,710.8	3.8
6.	Chrysler cars	16,437.1	22,856.5	-28.1
7.	Buick cars	16,267.0	11,813.9	37.7
8.	Franklin Mint	16,198.4	11,799.0	37.3
9.	Acura cars	16,162.0	8,952.3	80.5
10.	Chevrolet light trucks	15,626.4	7,776.4	100.9
11.	Lexus cars	14,285.5	12,251.9	16.6
12.	Ford trucks & vans	12,224.4	17,507.7	-30.2
13.	CBS TV	11,870.5	17,038.7	-30.3
14.	Bradford Exchange collectibles	11,775.4	6,170.7	90.8
15.	Toyota trucks & vans	11,630.7	8,077.1	44.0
16.	Virginia Slims cigarettes	11,529.6	13,131.6	-12.2
17.	Mercury cars	11,382.8	6,067.5	87.6
18.	Walt Disney World resort	11,180.4	7,011.7	59.5
19.	ABC TV	10,813.2	14,910.9	-27.5
20.	NBC TV	10,732.1	11,310.7	-5.1
21.	Microsoft software	10,379.5	3,107.0	234.1
22.	Dodge trucks & vans	9,879.3	3,739.5	164.2
23.	Nike sporting footwear	9,837.9	7,574.4	29.9
24.	Saturn Corp. general promotion	9,628.1	–	NA
25.	Columbia record & tape clubs	9,593.1	9,614.5	-0.2

Source: LNA/Arbitron Multi-Media Service Note: Trade names include all products/services of the same name in an LNA subclassification

If You Think You're Buying Fairfield County When You Buy Stamford ... Think Again.

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Contact National Ad Manager Paul Ward at (203)-330-6303 to reach almost 200,000 households with 60% more disposable income than the national average.

Source: SMRB's Survey of Buying Power (1991)

Fairfield County's Information Source

Cable TV

(Continued from Page S-18)

year," he says.

Most cable sales executives are counting on the second half of 1992 to salvage the year's spending levels.

"I think the whole year will be slightly better than 1991, starting with the second quarter," says Angela Pumo, senior VP, NBC Cable Sales.

"With the economy getting stronger, maybe advertisers will start reinvesting. There'll be more dollars coming into the marketplace."

Some expect incremental dollars from Olympic Games and election spending, although not as much as in past quadrennial years.

"As far as election and Olympics and their impact on next year's advertising investments, I think the Olympic and election years always bring more dollars into the marketplace because they are two important programming franchises," says Mr. Uva.

In terms of costs per thousand for 1992, most cable sales executives hope to leave the flat to slightly higher CPMs of this year's cable upfront behind them.

Cable networks in 1990 reported record upfront sales of $750 million, about a 40% increase over 1990.

But this year, when the economy stalled and ad spending followed suit, cable networks were facing the same distressed selling conditions as their broadcast counterparts.

"I think the broadcast networks were in a position to [offer] such significantly reduced CPMs that it inhibited the cable networks from raising their CPMs as quickly as they could have," says Mr. McGowan.

"We're negatively impacted by the over-the-air broadcast networks' softness," he says.

That led to flat CPMs or low single-digit increases, in many cases, which resulted in a flat upfront selling season.

Still, several cable sales executives were grateful upfront didn't turn out worse.

"The bargain basement deals that have been out there during this year's upfront will no longer be out there once we get into 1992," Mr. McGowan says. □

Coen Watch: Cable TV

The happy medium

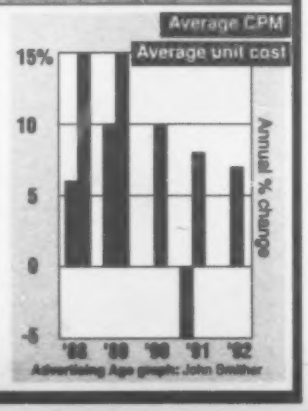
Cable TV has more to look forward to than most other media industries.

As audience shares continue to expand and ratings increase, cable networks have been able to raise unit prices while holding the line on costs per thousand viewers, which improves their competitive pricing positions.

In 1992, average unit prices for all cable networks are expected to go up about 7% while cable TV CPMs should remain nearly unchanged.

—Robert Coen

Source: Robert Coen, McCann-Erickson Worldwide



Advertising Age graph: John Smither

SPEAKING WITH AUTHORITY

'Sports Illustrated' optimistic, but few believe elections, Olympics will have an impact on magazines

D. Hobbs

A. Saralegui

A. Linderman

Dick Hobbs, senior VP-media services, Leo Burnett Co., Chicago

"My feeling is that it [the quadrennial year] has no effect. And the reason I think it has no effect is that one uses magazines for a different reason than one uses television.

"The Olympics and the elections have some effect on the way television is distributed client-by-client, but I don't believe it has any effect on the way magazine dollars are planned and/or spent.

"I think the potential increase in 1992 is almost completely related to whether the economy turns around and not the Olympics or the elections.

"I think we're looking at a year when the Olympics that used to, way back, turn up some additional advertising dollars from client-to-client and as slowly over time become replacement dollars, probably in 1992 and maybe forever, will be replacement dollars."

Alvero Saralegui, advertising director, *Sports Illustrated*

"Traditionally [advertisers] do get excited about the Olympics, and I'm optimistic they will again. I think there's more money being spent in print than in the past.

"For instance, in our Pathways issues leading up to our preview issue, we will sell roughly two and a half times more [advertising] than we did in 1988 when the Games were in North America.

"It's a very strong showing by the Olympics sponsors. A part of it is these sponsors signed up much earlier in the quadrennium than in the past.

"And with the changeover to the Olympics to every two years instead of every four years, it becomes every other year you're doing an Olympics.

"With the format change coming, they wanted to get the '92 Games wrapped up as soon as possible, and the International Olympic Committee signed up all the sponsors, including ourselves, much earlier than they have in the past.

"I think [the 2-year format] has led to people deciding [Olympic sponsorships] are a depreciable asset.

"As soon as the Olympics are over, you have to sign a new sponsorship agreement.

"As long as you've committed to the Games early on, you might as well use the positive rub-off of the rings earlier on in the quadrennium. We've already had a lot of advertisers doing that, starting earlier."

Allan Linderman, VP-advertising services, Alberto-Culver Co., Melrose Park, Ill.

"I don't think [elections and Olympics] are going to have an impact on magazines.

"There are some special opportunities that may come up from a pricing standpoint.

"But neither of those two events will have much impact on the magazine industry.

"Things inventory-wise are beginning to tighten up but I don't think 1992 is going to turn into a seller's market."

—Laurie Freeman

Coen Watch: Magazines

Hard work, no play

The struggle continues.

To offset hefty postal rate increases and other operating costs, many magazines are announcing much higher ad rates for 1992.

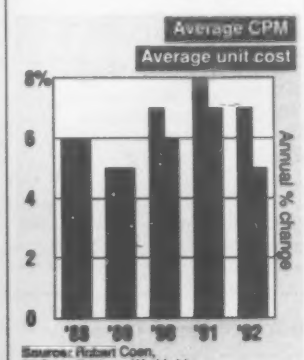
But magazine rate cards no longer are a completely accurate means of measuring how much more marketers will pay for their schedules in an upcoming year.

The current sluggish state of ad demand and the growing availability of special purchase arrangements will water down the announced increases.

But by mid-1992, real prices should be on the upturn.

For the year as a whole, page rates will probably be up around 5% while costs per thousand grow 7%.

—Robert Coen



Sources: Robert Coen, McCann-Erickson Worldwide

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'Limp-wristed recovery at best'

Experts say newspapers caught in evolutionary downward spiral

By Christy Fisher

Maybe next year. That's all the newspaper industry can hope.

Caught in its worst cyclical downturn in 20 years, newspapers had hoped for signs of a recovery in 1991. But instead, the industry is likely to post its second consecutive down year—the first time in 40 years it has taken a double dip.

"Everybody keeps telescoping out," says Kenneth Berents, an analyst with Alex. Brown & Sons, which does a quarterly outlook survey of newspaper executives. "Now, they're pointing to the second quarter of 1992 before they expect a pickup. When it does pick up, it looks like it will be a limp-wristed recovery at best."

According to Mr. Berents' survey of newspaper executives, retail ad revenue should be off 4.6% for 1991, classified will be down 5.3% for the year and national ads will decrease 3.9%.

He expects the industry to post increases in the low single digits in 1992.

Newspaper Advertising Bureau is looking for the industry to post a 2% ad revenue gain in 1992, fueled by improvements in the economy. The increase, modest on its own, still is a stark improvement over the 3% to 4% decline expected for 1991, says Len Forman, ad bureau president.

The industry reported ad revenues of $32.2 billion in 1990, down 0.3% from the previous year.

While many believe the industry is stuck in a temporary cyclical trough, other newspaper insiders say the medium is on a slow evolutionary downward spiral, as Mr. Berents suggests.

Either way, newspaper executives aren't wasting time debating the issue. They recognize the industry has problems deeper than the current recession.

"Pain helps you focus," says Cathleen Black, president of the American Newspaper Publishers Association. "The pain of the last couple years certainly has publishers, editors, ad directors and classified managers exploring every possible nuance to making their product as timely and relevant as possible. . . . The newspapers of the '90s are going to be different."

Faced with stagnant circulation and declining readership, newspapers are paying more attention to the baby-boom generation, which largely has shunned the medium.

Tom Bachtell

Chains such as Knight-Ridder Newspapers and Gannett Co. are overhauling their editorial products to make them more lively, useful and readable.

"Of the potential pool of 24 million baby boomers age 30 and older in the 1980s, only 500,000 have become newspaper subscribers," Mr. Berents says. "Newspapers have to change to bring in the baby-boom generation."

Newspaper advertising executives, who have been accused of arrogance by advertisers and their agencies, also have developed a more consumer-friendly attitude, and for good reason. Newspapers' dominant ad-medium market position has been slipping over much of the past decade as advertisers jump to more targeted media vehicles such as direct mail and cable TV.

Newspapers had a 25.1% market share of U.S. advertising dollars in 1990, for example, down from a 27.6% share in 1980, according to NAB.

As Ms. Black says, "It's no longer 'This is what we have and this is what you have to buy.' "

Mr. Forman adds, "One positive aspect of this two-year period of falling revenue is new product innovations are real hot."

Newspapers are forming alliances to facilitate national or regional buys for advertisers and their agencies. National newspaper networks, such as Newspapers First, are working on one-order, one-bill capabilities. Regional networks also have been set up in such states as Florida, Iowa and New Jersey.

Newspapers also are making available to advertisers more detailed demographic information on their readers and developing more targeted vehicles for specific segments, such as zoned editions, special sections and stand-alone magazines on special-interest topics.

> "We may look back on the '80s and realize that they were the golden period of newspapers."

Newspapers are paying more attention to their competitors and developing new products. Many papers are accelerating the development of audiotex services now that the telephone companies have been given permission to compete in this arena.

In August, the *Kansas City Star*

Magazines

(Continued from Page S-20)

tions' *Glamour*. "There's still a lot of debt factored into the way these magazines are operating."

The swell in multimagazine and cross-media deals will intensify, with Time Warner, Hearst Corp. and Meredith Corp. leading the charge, magazine executives say.

There also will be an explosion in strategic alliances between small and midsize publishers as they strive to compete with media giants. "I think you're going to see an increase in packaging," says S. Christopher Meigher, president of Time Inc. Magazine Co.'s New York-based magazines.

Publishers are working harder than ever to prove magazine ads move product. Many are offering more added-value and cross-media deals, and are making use of technologies such as ink-jet imaging and selective binding.

"What's going to happen is advertisers are going to continue to look for more accountability and a clearer path to sales," says Mr. Berrien. "Magazines that can help them ring the cash register are going to see growth next year."

"The more we can bring the consumer closer to the point of purchase, the more effective a marketing program is going to be," agrees Steve Goldberg, president of the publishing division of Touch Tone Access, which creates interactive marketing programs for magazines.

On the circulation front, more magazines are likely to scale back rate bases as they raise cover prices and eliminate marginal subscriptions.

Magazines are not expected to get much of an ad page lift from the Olympics and elections next year.

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John Suhler, president of investment banker Veronis, Suhler & Associates, says, "The quadrennial is a top-down phenomenon."

Normally, network TV inventory tightens and rates rise during an Olympics/election year, pushing more advertisers into spot TV. As that market tightens and rates rise, advertisers spill over into other national media, including magazines.

Because network TV is not expected to get a major boost from the quadrennial, magazines will not feel any spillover.

A handful of publishers have a more optimistic view of 1992.

Michael Perlis, publisher of *Playboy*—which has posted strong ad page gains this year—says he expects to continue on a growth path next year, although he admits the market is weak.

"The fourth quarter is really tough. We're working hard for every dollar," he says. "I think it's going to continue to be tough in the first quarter from an ad sales standpoint. But beyond the first quarter, we see marketers getting more ambitious and enthusiastic."

In a sign of how troubling the downturn has become, even those who consider themselves optimistic have a fairly sobering outlook.

"I don't see people increasing budgets much, but I don't see them slashing them any more either," says Mr. Kliger. "I'm predicting a flat year, which would be a victory."

Media buyers say a glum view is probably warranted.

"We don't see budgets increasing dramatically," says Peg Ianacone, manager of print media for Grey Advertising. "It's probably not going to turn around in the first half. I don't know about later in the year.

"The magazine business is going to be as much of a struggle in 1992 as it was this year." □

Magazines: *Hot*

The other revenue stream: As ad revenues continue to fall, the importance of circulation becomes clearer. Family Media's heavy use of discounts to woo subscribers played a critical role in the publisher's collapse. Look for publishers to continue to pay more attention and less lip service to circulation. As a result, more rate-base reductions are likely.

We are family: Parenting and family oriented magazines will continue to thrive along with the current mini-baby boom and the return, real or perceived, of so-called traditional values. Two new entrants in the field, *FamilyFun* and *Ladies' Home Journal's Parent's Digest* both got off to strong starts this year, and both will be pushed more aggressively in 1992.

In this corner: The argument over whether mass-market magazines have a future continues, but the recession has made it clear special-interest magazines have an edge in the age of target marketing. The short list of magazines that have seen ad page increases this year is dominated by such titles as *Muscle & Fitness, Outside, Popular Photography* and *Runner's World*.

FamilyFun (above) is off to a fast start while National Lampoon remains hung up on panty raids.

Jack's knack: How hot is *Glamour* Publisher Jack Kliger? At a time when Conde Nast is playing musical chairs with many of its publishers, the company engaged in a public tug-of-war with Hearst Corp. over Mr. Kliger. Conde Nast won, but Mr. Kliger, whose future at the publishing company seems quite bright, was the real victor.

Where in the heck is Emmaus, Pa.? Rodale Press' hometown will become a household name in magazine publishing in the 1990s. The publisher is perfectly positioned for the coming decade, with strong managers, virtually no debt and magazines that focus on such hot topics as health, fitness and the environment.

The cable connection: If cross-media deals in general are hot, packages linking magazines and cable TV are sizzling. Both are narrowly targeted, flexible media with similar pricing structures and already share many of the same advertisers.

Magazines: *Cold*

Disconnect the (sneaker)

launched StarTouch, a phone-based feature that allows the newspaper to provide updates on breaking stories. For example, the *Star* included a telephone number on a recent story on a possible takeover of a local company. Readers could call the StarTouch phone number if they wanted updates later in the day. The paper plans to use the service to update election results as well.

The *Star* also uses StarTouch to enhance feature articles, as it did for a story on Chicago White Sox pitcher Jack McDowell and his band, View. Readers could call the StarTouch number to hear the band.

The service will be used for advertising later this year, primarily to enhance direct-response efforts.

To better compete against direct mail, the newspaper industry has developed Newspac, which allows liquid or powder product samples to be inserted in newspapers without spilling or breaking. The first test of Newspac is expected in October in the *Chicago Tribune* and *Milwaukee Journal*.

But even with these changes, it is unclear whether newspapers will ever see the spectacular growth of the 1980s again.

"We may look back on the '80s and realize that they were the golden period of newspapers," Mr. Berents says.

One of biggest problems newspapers face is their largest ad category also is undergoing great stress and evolution.

The retail industry, which con-

(Continued on Page S-24)

phone: Despite taking a harder look at circulation quality, publishers likely will continue to use discounts and editorial-related premiums (i.e., special issues, newsletters, etc.). But the smart ones will abandon the use of gimmicky, non-editorial premiums such as sneaker phones and clock radios.

My other car is a Volkswagen: Conspicuous consumption is out and magazines targeting the noisily affluent will be out as well unless they tone down their focus to reflect the quieter affluence of the '90s. Look no further than *Town & Country*, where ad pages declined 35% through August.

Loves music, loves to dance: Smaller publishers are going to be taking out personal ads soon, as they search out strategic partners in the age of multi-magazine and cross-media deals. Those who think they can still go it alone may be in for an unpleasant surprise.

Why buy? Cautious buyers, a shortage of sellers, unrealistic asking prices and a weak outlook for magazines have conspired to virtually halt the sales and acquisition market. More publishers are likely to look to launches for future expansion. And more would-be sellers may be forced to shut down operations for lack of a buyer.

Quit fooling around: *National Lampoon* has changed hands several times in the last two years and each set of new owners has promised to drop the sophomoric gags and return the magazine to the cutting edge of sophisticated humor. New owners J2 Communications seemed genuine in their promise but the October issue, with a cover story on panty raids, shows some things never change.

SPEAKING WITH AUTHORITY

Local political advertising may plug some leaks

J. Cohen

D. Zinda

Jack Cohen, VP-director of print media buying, DDB Needham, New York

"Normally, in an Olympics and presidential year, you do have an increase in newspaper spending. I would like to think that would be the case in 1992.

"It just might happen a little bit later this time because clients seem to be making decisions later, and it may not be as dramatic a bump as it has been in the past."

Scott Bedbury, director of advertising, Nike

"During the election period, the battles become furious and the amount of time needed [for political ads] forces prices up for either print or TV. That is fairly temporal.

"The only urgency that I've detected is if someone wants an outdoor board in Atlanta in 1996, they may have already missed the boat.

"There's been little emphasis on the Olympics [next year]."

Diana Mather Zinda, senior VP-advertising and marketing, *The Baltimore* (Md.) *Sun*

"While newspaper ad revenues for the first half of 1991 were down 7% and some of *The Baltimore Sun*'s key categories have remained very soft, we remain optimistic about marketing opportunities in 1992.

"Historically, events such as the Olympics and the elections attract high reader interest and present newspapers with the opportunity to be innovative in capturing increased market share.

"In addition to meeting the traditional needs of newspaper advertisers, we'll continue to develop new approaches for clients to capitalize on events at the national, regional and local levels.

"It will be a difficult year. Generally, we expect no huge changes.

"However, with continued tenacity toward creative marketing, developing sponsorships, special value-added programs and partnership packages—on both the local and national levels—we clearly recognize and plan to meet the challenges and the opportunities ahead."

—Laurie Freeman

HE OWNS A BUSINESS IN NEW YORK.

He was raised in Queens, but a team from Minnesota caught his attention when he was 9 years old. They haven't let go since. And although running his business is a 24-hour-a-day job, he makes time to fly to Minneapolis for at least one home game each season.

TIME OFF DOESN'T COME EASY.

There's only one magazine a man like this reads with the intensity he brings to his Vikings. The Sporting News. Only The Sporting News features the kind of in-depth information serious fans crave. It's the reason 3 million men are as devoted to this magazine as they are to their favorite teams.

BUT ONCE A YEAR HE MAKES IT TO MINNESOTA FOR A VIKING HOME GAME.

Our Viking fan's loyalties run deep. But reach him when he's reading about the team he loves best in the magazine he loves best and you stand a good chance of winning him over. Once you do, he'll be as loyal to your products as he is to the team that captured his imagination so many years ago.

NOW THAT'S BRAND LOYALTY.

The Sporting News

More Than Just The Score

No reading between the linage: Newspapers are hurting

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

	Parent company	Jan.-June '91	Jan.-June '90	% change
1.	May Department Stores Co.	$73,594.1	$96,385.2	-23.6%
2.	R.H. Macy & Co.	63,132.0	72,700.6	-13.2
3.	AMR Corp.	46,100.8	35,199.5	31.0
4.	Campeau Corp.	41,045.9	54,159.4	-24.2
5.	Sears, Roebuck & Co.	38,973.8	64,870.9	-39.9
6.	American Stores Co.	28,274.2	34,251.5	-17.5
7.	Carter Hawley Hale Stores	27,866.4	34,158.9	-18.4
8.	Delta Air Lines	24,358.0	18,767.3	29.8
9.	Circuit City Stores	24,173.1	18,027.8	34.1
10.	Dayton Hudson Corp.	23,049.5	49,685.0	-53.6
11.	Texas Air Corp.	22,121.8	35,594.3	-37.9
12.	Montgomery Ward & Co,	21,580.7	34,302.3	-37.1
13.	Vons Cos.	20,791.1	14,087.0	47.6
14.	Kmart Corp.	19,476.0	35,676.3	-45.4
15.	Time Warner	18,057.0	21,164.7	-14.7
16.	Pan American World Airways	17,857.6	17,157.9	4.1
17.	General Motors Corp.	17,203.6	18,613.6	-7.6
18.	Daimler-Benz AG	15,971.9	10,726.6	48.9
19.	J.C. Penney Co.	15,796.7	31,459.5	-49.8
20.	NWA Inc.	15,588.0	13,723.3	13.6
21.	Ralph's Grocery Co.	13,827.1	8,607.0	60.6
22.	Dillard Department Stores	13,381.0	13,991.1	-4.4
23.	Sony Corp.	12,954.1	14,183.9	-8.7
24.	Tandy Corp.	12,759.1	18,249.4	-30.1
25.	UAL Corp.	12,750.4	11,760.9	8.4

Source: LNA/Arbitron Multi-Media Service

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

	Trade name	Jan.-June '91	Jan.-June '90	% change
1.	American Airlines	$46,122.9	$36,310.4	27.0%
2.	Circuit City stores	24,538.1	18,027.8	36.1
3.	Delta Air Lines	24,521.1	18,825.5	30.3
4.	Continental Airlines	20,863.0	17,486.7	19.3
5.	Vons markets	20,435.9	12,102.8	68.9
6.	Macy's household	19,374.9	23,470.9	-17.5
7.	Lucky food stores	19,184.6	12,935.5	48.2
8.	Franklin Mint	19,041.3	15,080.3	26.3
9.	Pan Am World Airways	17,857.6	17,157.9	4.1
10.	Sears, Roebuck & Co. general promotion	16,251.6	32,809.4	-50.5
11.	Columbia record & tape clubs	15,957.3	9,104.1	75.3
12.	Mercedes-Benz cars	15,711.7	10,676.2	47.2
13.	Warner Bros. movies	13,977.2	14,858.8	-5.9
14.	Ralph's food stores	13,845.1	8,629.2	60.4
15.	Northwest Airlines	13,650.6	11,897.5	14.7
16.	United Airlines	12,791.7	11,844.6	8.0
17.	Macy's miscellaneous	12,438.9	13,528.6	-8.1
18.	Sears, Roebuck & Co. household	11,438.1	15,439.4	-25.9
19.	Universal City studios	11,354.5	14,639.8	-22.4
20.	Macy's apparel	10,615.8	12,634.3	-16.0
21.	Dillard's	9,723.6	8,896.4	9.3
22.	TWA airlines	9,193.2	13,278.5	-30.8
23.	20th Century Fox movies	9,137.1	5,796.7	57.6
24.	USAir	9,068.1	7,352.3	23.3
25.	Hertz rent-a-car	9,010.0	9,109.8	-1.1

Source: LNA/Arbitron Multi-Media Service Note: Trade names include all products/services of the same name in an LNA subclassification.

Newspapers: *Hot*

In the black: Hired in June because she knows her way around Madison Avenue, ANPA President Cathleen Black has given the industry the high-profile boost it needs to show advertisers and agencies newspapers are serious about reinventing how they go to market. She also scored points among colleagues in July with her first lobbying effort before Congress, urging it to keep the regional telephone operating companies out of information services.

Cathleen Black's congressional lobbying effort was a hit with colleagues; Newspac takes the spill out of product samples.

Reaching out: Newspapers are finally getting serious in their quest to attract baby boomers, who have shunned the medium in favor of TV. Knight-Ridder is expanding elements of its *Boca Raton* (Fla.) *News* experiment to its other 28 newspapers. Gannett Co. has implemented a plan called News 2000, which calls for the rethinking and possible redesign of all 86 of its newspapers except *USA Today*. The future is likely to hold more color, shorter stories and bold graphics for these newspapers.

Creative networking: Newspapers are starting to catch up with direct mail and cable TV in grabbing their fair share of ad dollars for target-marketed products. New ad vehicles like Newspac, which allows product samples to be inserted in newspapers without breaking or spilling, are an encouraging sign.

Promoting readership: Similar innovations are being used to attract subscribers. Frequent-reader promotions have sprung up in several markets including Hartford, Conn.; Richmond, Va.; Reno, Nev.; and Tucson, Ariz. These have a double payoff: Readers who buy a paid-in-advance subscription get a discount at companies that advertise in the newspaper.

Partnerships: *USA Today* and Turner Broadcasting System are teaming up for a cross-media deal, the likes of which could propel newspapers out of the doldrums.

The two are producing a sports show called "College Coaches Corner," a weekly poll of the top 25 football coaches. Results appear in the national daily, and the companies are selling a joint ad package. And this is only the beginning. *USA Today* and CNN are discussing other cross-media and cross-promotional packages for the future.

Newspapers: *Cold*

Two-timers: The recession is likely to take its toll on two-newspaper towns, especially in markets where a common owner puts out a competing morning and evening edition. In 1992, newspapers in San Diego and Richmond, Va., will consolidate operations, though San Diego will continue to publish a morning and evening edition. Morning and evening papers were merged this year in Portland, Maine; Asheville and Durham, N.C.; and Newport News, Va. Papers have been or will be shuttered this year in Baton Rouge and Shreveport, La.; Lawton, Okla.; Manchester, Conn.; Roanoke, Va.; and Union City, N.J.

Cold shoulder: There's a run on pink slips as newspapers consolidate operations and suspend publications. Layoffs were announced at the Atlanta *Journal & Constitution*; *Asbury Park* (N.J.) *Press*; *The Boston Globe*; Dow Jones & Co.; *The New York Times*; and *The Miami Herald*, to name just a few.

Newspapers

(Continued from Page S-23)

tributes more than 50% of newspapers' ad revenues, shows little sign of recovery any time soon. Overleveraged department store retailers, an advertising mainstay for big-city dailies, have trimmed ad budgets as they struggle to pay down debt, says Kevin Gruneich, an analyst with First Boston Corp.

> "Newspapers have to change to bring in the baby-boom generation."

Changes in consumer buying habits away from traditional department store retailers and toward specialty retailers, which do little newspaper advertising, also have hurt the industry, he says.

The trend toward image campaigns over price-item advertising has been a problem for newspapers as well, Mr. Gruneich adds. It doesn't help that several of the retail industry's success stories—Wal-Mart Stores, Nordstrom and The Limited—are not heavy newspaper advertisers.

"Those dollars may be lost for a long time," he says. "Newspapers are going to have to make do without them."

The business conditions likely will depress ad rate increases next year. Rate hikes, which should average 5% to 5.6% in 1991, will be a more moderate 4.6% to 4.7% next year, according to Alex. Brown & Sons' most recent quarterly survey of newspaper executives.

"The years of significant rate hikes are long gone," says Mr. Berents.

At least 63% of the executives surveyed indicated advertisers' reaction to the rate hikes was mild—even in this down economic year. Only 29% said the reaction was severe.

Mr. Berents says advertisers may be getting conditioned to yearly rate hikes.

When the rebound comes, rate hikes coupled with linage gains will translate into revenue gains, he adds.

Mr. Forman says the newspaper bureau expects rate hikes of about 3% to 5% according to the rate of inflation.

As far as criticism on how newspapers can raise rates when overall circulation and penetration are declining, he says most newspapers actually are beginning to report circulation and readership increases. The industry's overall numbers are down because of the closing of papers, but those that survive are getting stronger, he says. □

Coen Watch: Newspapers

Paper chase

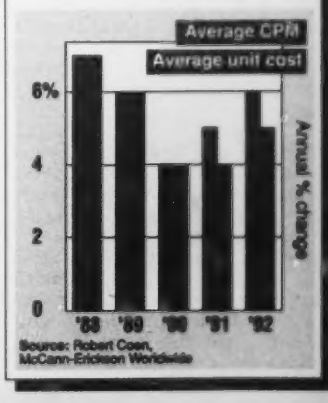
Newspapers had a bad year in 1991, and 1992 doesn't look like it's going to get much better.

In most markets, the average newspaper ad linage rate increase will be about 5%.

Newspapers will be reluctant to raise prices substantially once business improves because of the pressures created during the current depressed newspaper economy.

The uncertainties about future ad demand should hold back any spurt in newspaper ad rates until late 1992.

—Robert Coen



Source: Robert Coen, McCann-Erickson Worldwide

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If politicians want to gab, radio eager to listen

Recession hit hard, and execs hoping to hold even

By Adrienne Ward

If no news is good news, the radio industry is in for an average year.

"At this point we're forecasting a flat year for 1992," says Mike Nicassio, exec VP-sales at radio rep Eastman Radio. "If there's any turnaround, we're not expecting it before the second quarter of 1992."

Mr. Nicassio says total national ad revenue for radio was down 2.7% to $718.5 million through August, the latest month for which figures are available. Last year at that time, revenues were up 3.4% from 1989.

Ad agency media buyers and planners say radio stations will have to work very hard to maintain their business in the coming year.

"I don't think we're going to see anything in terms of killer increases or usage," says Liz Russo, VP-network radio at Backer Spielvogel Bates, New York. "It's going to be pretty much steady in terms of how increases have been going in the past couple of years; nothing like the early '80s. But I think it will hold its own.

"Right now network radio is doing very well so hopefully that will carry into next year for spot and local."

Network ad revenues have been able to maintain their momentum during this year's weak economy, and Bud Heck, president of Radio Network Association, predicts they will continue to grow next year.

"We have been able to show increases through the end of August, which none of the other media can say," he says.

Network ad revenues grew to $283 million by the end of August, a 1.8% increase from the same period last year, Mr. Heck says.

He expects 1992 network ad revenues to post double-digit growth.

"I don't think people are using us because we are cheap," he says. "They're using us because they're finding out that we're effective. If you want to be cheap, you can go out and put your name on matchbooks."

Tom Bachtell

He attributes network radio's growth to better marketing efforts on the part of the industry.

Last year, many radio insiders predicted the industry would benefit from the economic recession, believing that advertisers would move their ad dollars from TV to radio.

But that didn't happen.

"In years past, radio profited in recessions because its efficiencies compared favorably to television. If [an advertiser] couldn't afford a large TV campaign, they'd switch to radio," says Mr. Nicassio.

"But this year, ad expenditures are just cut across the board, there's not as much shifting from one medium to the other," he says. "They're just cutting rather than taking it in column A and putting it in column B."

Len Stein, senior VP-associate director of radio at Young & Rubicam, New York, says the 1991 recession wasn't much of a boon to radio, after all.

"The problem was created within the TV industry, because TV ad sales were off and therefore [network TV] pricing was adjusted to that, which made them extremely competitive.

"Advertisers looking to spend in electronic media would tend to go toward the video—both TV and cable—because of the pricing.

"I don't think radio overall fared as well as it normally has in these kinds of periods, though network radio has done fairly well."

A good deal of radio's fortune in 1992 relies on how quickly the economy picks up.

"Given that radio has seen an

(Continued on Page S-26)

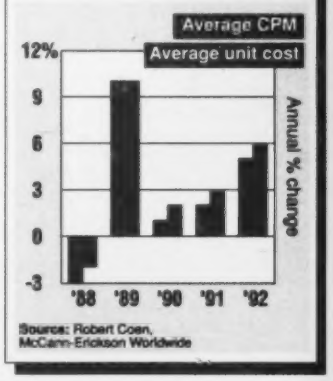
Holding its own

The radio networks are picking up steam, and the outlook for next year looks good.

Network radio experienced a slump in ad revenues earlier in 1991, but demand appears to be increasing. Next year, economic growth, the Summer and Winter Olympic Games and political elections will increase demand for network radio ad time.

Unit prices could go up as much as 6% in 1992, and costs per thousand could grow about 5%.

—Robert Coen



Sources: Robert Coen, McCann-Erickson Worldwide

We were advising small business when Ford was a start-up.

Business magazines come and go. But none has ever come as far as Nation's Business. Today, Nation's Business delivers more subscribers than any other small business magazine. More than Inc. More than Success. More than Entrepreneur or IB. To reach all 850,000 of them, call Bob Gotshall, 313-354-1180, and advertise in Nation's Business. Since 1912, the most dependable vehicle in America.

Source: MRCA, 1991

Nation's Business
The Small Business Adviser

SPEAKING WITH AUTHORITY

Olympics and elections are contagious

M. Kelley Jr.

S. Michaelson

D. Landau

Maurice Kelley Jr. VP-marketing services, SmithKline Beecham [illegible]burgh

"We use radio for a number of our brands and we plan to continue to use it, but we haven't made any supplemental buys based on anticipating differences in media impact. And I don't see other companies doing that either.

"We are fairly significant sponsors of the Winter and Summer Olympics, the broadcasts, a big buy on CBS, so we've tapped into what's happening from that standpoint. But beyond that, we haven't made any compensating kinds of buys at all.

"We don't think the recession is over. Consumer confidence is down again. We don't see any real signs that the consumer has found confidence yet and we think 1992 will be a tight year.

"But we'll be out there on radio plugging away on our products."

Sam Michaelson, VP-director of radio, Saatchi & Saatchi, New York

"I believe we will see that quadrennial bump. I don't believe that it won't be there, it's always been there. . . . It's contagious, those events [Olympics and elections] create enough excitement that everyone wants to get involved.

"The only question that I have about the political situation is who the Democrats put up for election. How much media weight is Bush going to put behind his re-election?

"But we're going to feel it, the market is going to tighten up. It has to. There's a lack of inventory.

"We're spending a lot more on radio, the ratings are there and [radio] inventory is worth more. I'm very positive about it. Clients are asking a lot more questions about radio advertising."

David Landau, president, Unistar Radio Networks, New York

"It's been our experience in election years, particularly presidential election years, that the dollars in radio get spent on a local market-by-market basis and they're concentrated in the major cities that will swing the electoral votes in powerful states.

"What we think will happen is that the local radio markets will tighten up and advertisers will have trouble getting into scatter markets and we [network radio] will be the beneficiary of that.

"For the Olympics, we're out on the street with a package. We . . . believe that, as the TV networks tighten up, it will also create another supply-and-demand situation as advertisers look for other successful national media to advertise in.

"Network radio is usually their choice. We and network TV are the only true national [mass market] advertising vehicles, right now, so we're pretty confident on that score.

"We're optimistic about 1992. We feel the business climate is improving, and with the election year, the bottoming of this economic downturn and the Olympics, we believe there are some real positive things going on. We believe 1992 is going to be a good year."

—Laurie Freeman

Radio: *Hot*

Locker room banter: All-sports radio stations are becoming a growing trend. Diamond Broadcasting, owner of Chicago's WXRT-FM rock station, has a new all-sports station set to begin airing this month, pending Federal Communications Commission approval. The station joins others in New York, Philadelphia, Denver, Minneapolis, San Diego, Seattle, Tampa, Fla., and newcomers in Albuquerque, N.M., and Boston. ESPN and ABC Radio are forming a national all-sports radio network in January that will air 16 hours of programming every week. ESPN Radio Network will broadcast weekend shows and weekday reports during morning and afternoon drive times.

Air shows: We're not talking about the kind the military puts on in the summer—we're talking about in-flight radio services that allow fliers to tune into live sports, news and entertainment events. In-Flight Phone Corp. is awaiting an experimental license from FCC; Sky Radio, a joint venture between *USA Today* and FliteCom Systems, will start operating aboard Delta Air Lines.

Radio: *Cold*

Jocks on the tube: Chicago disc jockey Jonathan Brandmeier's late-night TV show bombed horribly and stations that picked it up struggled to find a late enough spot where it wouldn't do them damage. Now Los Angeles jocks Mark and Brian have upped the ante. Critics say it will be miraculous if their NBC-TV show makes it to mid-season.

Falling off charts: Top-40/-dance-oriented stations are finding it hard to stay on top with pop. Insiders say lack of creativity and increasingly fragmented audiences are hurting the format.

Not so E-Z after all: Does anyone listen to E-Z listening stations anymore?

Coen Watch: Spot Radio

Olympic hopeful

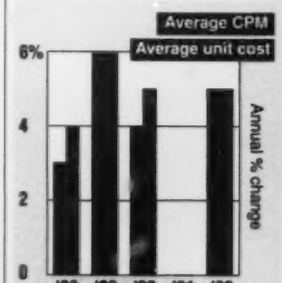
Spot radio will be benefit from the quadrennial year.

The Olympics, elections and expected economic recovery are likely to boost spot radio revenues.

These events come after a year of bad news for spot radio. The Persian Gulf War and recession caused considerable disruption in spot radio spending in 1991, but by spring 1992 demand should radically improve.

Average local and national spot radio unit costs and costs per thousand could rise 5% to 6% in 1992.

—Robert Coen



Source: Robert Coen, McCann-Erickson Worldwide

Radio

(Continued from Page S-26)

overall soft market this year, I would think economic recovery should help them in terms of getting a larger share of dollars that are out there," says Richard Alcott, senior-VP media director at Lord, Dentsu & Partners, Los Angeles.

He says vertical programming, such as an all-sports network, will attract more advertisers. "I see it as a potential growth area next year," he says.

One potential bright spot on the horizon could be next year's big events: the Olympics and elections. But radio buyers and sellers are not holding out great hope that the quadrennial year will boost radio ad revenues.

Olympics traditionally do not give radio stations a jump, but elections often have. In the 1988 quadrennial year, for example, political ad spending comprised 1.3% of total spot radio advertising (network radio was not used in the 1984 and 1988 presidential elections), according to the Radio Advertising Bureau.

"One of the important things for the radio industry as a whole is the anticipated heavy activity with national and local political campaigns," says Mr. Stein. "It will be a strong revenue base if there is a significant amount of it. But it's hard to say if there will be. It's going to depend upon who the Democratic candidate is and the dollars available, plus their marketing strategy."

Most radio insiders worry the elections will not provide substantial revenue increases next year. "The elections and Olympics will probably generate some additional revenues," Ms. Russo says. "But it's not going to be really huge."

The result could make for a long winter for radio ad revenues.

"While the economy is in a recovery mode, it takes a long time to filter down. September unemployment figures show the work force is still in recessionary mode. . . . We're probably going to see this [recession] for another year," Mr. Alcott says. □

Network radio rolls through the recession...

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

	Parent company	Jan.-June '91	Jan.-June '90	% change
1.	Sears, Roebuck & Co.	$37,590.1	$36,229.2	3.8%
2.	Gateway Educational Products	29,309.9	2,482.4	1,080.7
3.	AT&T Co.	13,491.9	12,189.3	10.9
4.	Volkswagen AG	12,185.1	19,548.6	-37.7
5.	Accor SA	11,492.3	10,112.1	13.6
6.	Chrysler Corp.	11,119.4	6,314.0	76.1
7.	General Motors Corp.	9,889.6	11,152.3	-11.3
8.	Bayer AG	9,010.5	7,522.8	19.8
9.	Goodyear Tire & Rubber Co.	8,482.0	3,708.6	128.7
10.	Warner-Lambert Co.	7,443.1	6,699.5	11.1

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

	Trade name	Jan.-June '91	Jan.-June '90	% change
1.	Hooked on Phonics home study course	$20,309.9	$2,482.4	1,080.7%
2.	Motel 6 motels	11,492.3	10,112.1	13.6
3.	Sears, Roebuck & Co. household	5,534.3	10,283.4	-7.3
4.	Dodge trucks & vans	8,499.6	278.0	2,957.4
5.	AT&T Co. general promotion	7,080.1	7,268.2	8.4
6.	Sears, Roebuck & Co. general promotion	7,748.9	4,747.7	63.2
7.	Discover credit card service	7,454.6	6,579.3	-13.1
8.	Volkswagen cars	7,175.7	8,062.0	-11.0
9.	Toys 'R Us stores	6,635.0	7,106.6	-6.6
10.	"Wall Street Journal"	5,888.0	4,397.2	33.9

...and spot radio does even better

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

	Parent company	Jan.-June '91	Jan.-June '90	% change
1.	Philip Morris Cos.	$18,764.0	$13,754.7	36.4%
2.	Southland Corp.	12,902.5	3,754.7	243.6
3.	General Motors Corp.	9,954.2	8,639.3	15.2
4.	Anheuser-Busch Cos.	3,906.3	3,254.3	20.0
5.	PepsiCo	9,474.2	7,777.9	21.8
6.	Delta Air Lines	7,556.1	6,451.1	17.1
7.	American Stores Co.	6,192.5	4,345.0	42.5
8.	Kraft Inc.	6,090.3	5,090.3	19.7
9.	Honda Motor Co.	6,078.4	2,577.2	135.9
10.	Fiat Group Ltd.	5,967.9	5,253.5	13.6

Source: LNA/Arbitron Multi-Media Service

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

	Trade name	Jan.-June '91	Jan.-June '90	% change
1.	7-Eleven food stores	$12,802.5	$8,294.1	54.4%
2.	Miller beer	8,246.0	4,113.9	100.4
3.	Delta Air Lines	7,556.1	6,451.1	17.1
4.	American Express travel	5,155.5	2,468.7	149.7
5.	Maxwell House coffees	5,836.4	5,822.5	0.2
6.	Coors beer	5,214.2	7,038.0	-25.8
7.	Fox TV network	4,963.6	3,878.2	28.0
8.	Sears, Roebuck & Co. general promotion	4,522.2		NA
9.	Budweiser beer	3,910.8	2,567.9	52.3
10.	Ford Motor Co.	3,889.5	1,366.0	184.8

Source: LNA/Arbitron Multi-Media Service Note: Trade names include all products/services of the same name in an LNA subclass/fication.

Package goods could arrest slump

'New' outdoor categories looked upon to ease two years of slippage

By Junu Bryan Kim

Insiders say it won't be so cold outdoors next year.

Despite the recession and continued spending cutbacks from tobacco companies, outdoor advertising revenues next year should be equal to or slightly better than this year's total, industry observers predict.

If this holds true, the total will stop a two-year slide in annual revenues.

The recent slump will keep price increases in check. Outdoor sellers and most buyers predict increases of about 4% to cover inflation.

However, Byron Chandler, VP-out-of-home media, Laurence, Charles, Free & Lawson, New York, predicts overall prices will be flat. He attributes that to an increase for high-demand boards in good locations while low-demand boards remain flat.

> 'Suppliers are getting a lot of inquiries regarding space availability.'

Some in the industry won't complain too loudly if it runs in place. "The way people in media got hammered, when you can say you did about as well as the year before, you can say you did well," says Tommy Teepell, senior VP-marketing, Institute of Outdoor Advertising.

"I think things are going to look up for [outdoor vendors] next year," says Chris Massler, VP-out-of-home media director, Leo Burnett USA, Chicago. "Suppliers I've talked to are getting a lot of inquiries regarding space availability for 1992. . . . These inquiries for business basically went by the wayside in '91."

According to LNA/Arbitron Multi-Media Service, outdoor advertising expenditures in 1990 totaled $688.8 million, down 2.4% from 1989's $705.8 million and 4.1% off 1988's $718.2 million.

But LNA/Arbitron also reports first half 1991 outdoor ad revenues totaled $327.4 million, about even with the $327.1 million spent in the same period in 1990.

Out of Home

Tom Bachtell

The upbeat 1992 predictions will be realized only if expected business materializes from ad categories that traditionally have used little, if any, outdoor.

"The outdoor industry, if it relies on traditional revenue sources, will see little or no recovery," says Pete Riordan, VP-out-of-home media, BBDO Worldwide, New York.

Although vendors perenially have sought increased ad revenues from non-traditional users of outdoor, such as package-goods marketers, these aspirations appear more attainable because out-of-home advertising is riding the current interest in targeted media, buyers and vendors say.

"This section of media is being viewed as being directly more responsive with the market," says Mr. Chandler.

This affinity for targeting has contributed to a year-to-date revenue increase of more than 7% from national marketers at Gannett Outdoor Group, says President-CEO Don Davidson.

"We're getting looked at almost like alternative media, so we get into some budgets that we weren't in before," says Mr. Davidson, who predicts a 4% increase from national marketers next year.

Mr. Davidson says categories on the rise include entertainment companies such as movie studios; package goods marketers, including Colgate-Palmolive Co. and Bristol-Myers Co.; and fashion marketers such as Levi Strauss & Co.

But the local ad scene still could present problems, Mr. Davidson says. Most major local advertiser categories—local broadcast media, auto dealer associations and financial institutions—still are affected by the recession and aren't expected to boost outdoor spending next year.

One possible bright spot on the local level could be retail. But that hinges on economic recovery and a surge in consumer spending.

"Retail tends to be down more in bad times but recovers more quickly in good times," Mr. Riordan says.

However, Mr. Teepell says, "Leveraged retailers will force [their advertising people] to be careful."

The increases from untapped revenue sources are needed to balance another predicted drop in tobacco revenues. Despite grassroots protests, tobacco remains the biggest source of outdoor ad dollars.

Vendors say the category will remain heavily active in the medium.

"Has overall revenue for tobacco companies gone up or down? Sure it's gone down. But is the sky falling? No, I don't think so," says Stephen McNeely, president-ceo, Patrick Media Group.

Tobacco spending has accounted for about 25% of total annual outdoor ad revenues since 1987, LNA/Arbitron numbers show.

The need to recoup lost revenues from tobacco companies underscores the importance vendors see in improving their marketing techniques.

Mr. McNeely says Patrick sales staffs now are being taught to put the customer's interests first and to consider how outdoor, as a part of a media mix, can address the client's needs.

"The philosophy is to be a business partner with a client, rather than someone who's selling outdoor advertising," he says.

For example, Patrick has started putting together cross-media programs with other local media such as cable and

(Continued on Page S-28)

Kicking the habit

Outdoor rates barely rose in 1991, and the outlook doesn't get much better for the first half of 1992.

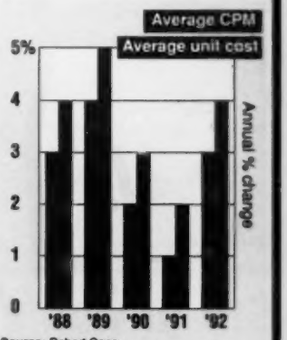
Tobacco and alcohol marketers—key outdoor advertisers—have been cutting their schedules back in recent years.

Outdoor sellers have turned to local marketers to replace the lost revenues from alcohol and tobacco companies, but many smaller marketers have been severely hurt by the recession.

Some gradual improvement is expected by mid-1992 for the out-of-home industry, and published rates are going up 5% to 6%.

But the medium is still highly negotiable. Actual rates negotiated will probably end up being only 3% to 4% above 1991 levels.

—Robert Coen



Source: Robert Coen, McCann-Erickson Worldwide

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We hate to burst your bubble.

While St. Petersburg — and the entire Tampa Bay area — was once thought of as the retirement capital of the world, this is no longer true. The volume of new, young residents arriving in the St. Petersburg area has lowered the city's median age by nearly eight years since 1980.

So it's not surprising that a sell-out crowd of nearly 48,000 young people turned out for the New Kids on the Block concert in August 1990 — one of the many rock concerts held at St. Petersburg's new Suncoast Dome.

And it's not surprising either that Tampa Bay keeps up with the Times. The St. Petersburg Times, Tampa Bay's largest newspaper, beats the Tampa Tribune in metro circulation by more than 106,000 papers daily and 122,500 on Sunday.*

So get in tune with Tampa Bay. Call 1-800-333-7505, ext. 8249 for the latest information on this thriving market and the newspaper that serves it best.

*Source: ABC Audit Report for 12 months ending 12/31/90. Represented nationally by CWO & O, (212)750-7040.

Photo by Don Crisp, D'nD Photography

St. Petersburg Times
Tampa Bay's Largest Newspaper

Out of Home: *Hot*

Count me in: Here's an easy way to double revenues—have someone else count them. Institute of Outdoor Advertising has claimed LNA/Arbitron Multi-Media Service wasn't getting revenue figures from all vendors—and thus underreporting the industry's income. By how much? Third-party auditor Lee Cobb & Associates extrapolated LNA's data and estimated 1990 industry revenues to be almost $1.5 billion—more than double the LNA figure. LNA is considering whether to include these estimates in its spending logs.

Bon voyage: With today's emphasis on target marketing, buyers like the right-place, right-time characteristics of transit properties—especially commuter rail stations and airports, which feature a more affluent clientele.

Celluloid heroes: Outdoor salesmen have made like aspiring actors trying to impress movie studios. So far they've done well: Vendors say the entertainment category has been a big bright spot this year.

The right call: Give people a phone number and they'll call it—even if they're literally on the road. That's what some marketers believe, and they're splashing phone numbers on outdoor ads to catch the increasing number of people with car phones.

Self-help course: With the industry taking a longer look at how it's marketing itself, watch for Outdoor Advertising Association of America to lend a hand. Observers predict next year the group's emphasis will swing from addressing government issues to promoting the medium.

Entertainment fare such as "Soapdish" has boosted outdoor, while the bogus Afro Country Club board ran afoul of vandals.

Out of Home: *Cold*

Tacky, tacky, tacky: Creative departments, take note: No more garish outdoor ads. Day-glo paint is out; simple images are in.

Fighting battles abroad . . . The fight against tobacco advertising has intensified outside the U.S. Outdoor tobacco ads will be outlawed at the end of this year in Australia and by January 1993 in France. In addition, the European Community has proposed banning all tobacco advertising; a vote is expected next month.

. . . and at home: Meanwhile, U.S. community activists have continued their protests against cigarette and alcohol ads, especially those in minority neighborhoods. Most notable among protesters in 1991 is the Rev. Michael Pfleger, a Chicago clergyman who was acquitted after being charged with defacing alcohol and tobacco boards in the predominately black neighborhood around his church.

All smoke, no fire? Despite the efforts of people like Rev. Pfleger, tobacco companies remain a force in outdoor. Although total tobacco spending has dropped in past years, the percentage of total annual industry revenues coming from tobacco companies has hovered around 25% since 1987, according to LNA/Arbitron.

PC or PO'd? Two Michigan artists bought an outdoor board to hopefully spark discussion on racism—and instead sparked the anger of vandals. Their board, placed in suburban Chicago last month, portrayed a black man sitting in a golf cart holding a golf ball. The copy, promoting a fictitious country club, read, "Afro Country Club: 'where only the ball is white.' " Vandals defaced the board, forcing it to come down after six days. The artists, though, said the board had done its job of calling attention to racism.

Out of home

(Continued from Page S-27)

direct mail, he says.

"We package our product with another medium to accomplish the objective of the advertiser and give him that focused buy," he says.

Meanwhile, Gannett Outdoor will continue to promote its affiliation with "Gannettwork." This cross-media structure, incorporating the media company's broadcast, newspaper and outdoor vehicles, was established in early 1991.

Mr. Davidson says he's been involved in the package since May. Although the concept is still being introduced to advertisers, Gannett has signed up Georgia Power Co. for the Atlanta portion of the network, he adds.

Buyers say they've noticed improvements in sales pitches.

"Their presentations have a bit more marketing background to them vs. what they've had in the past," Mr. Massler says.

Despite the industry's potential for next year, observers admit these hopes could collapse if the economy doesn't improve.

"Everybody seems to be holding," Mr. Chandler says. "The indications are we're climbing out of recession, but for every step forward there's a step back."

In fact, some insiders seem downcast about their fortunes.

"1991 was difficult for all of us . . . and while we all have lots of optimism about things improving [in 1992], it's not easy to see at this point in time," Mr. Davidson says. □

SPEAKING WITH AUTHORITY

Atlanta likes its chances, but elsewhere little clamor seen

Helen Giles, VP-out-of-home media, Lintas:Campbell-Ewald, Warren, Mich.

"None of our clients is clamoring for outdoor space.

"Just because it's [a quadrennial year], I don't think the outdoor industry will see a bump.

"Local elections may have some effect on outdoor space, but I don't think the presidential election will have any [impact.]"

H. Giles

Roger Godbeer, corporate director of media, Colgate-Palmolive Co., New York

"We believe there is more than enough inventory available. So the Olympics and the presidential elections will not impact the supply situation as they have in the past."

R. Godbeer

Kevin Gleason, ceo, Adams Outdoor Advertising, Atlanta

"Atlanta is the home of the 1996 Olympics, and we've already begun to promote and market successfully this past year.

"The 1992 Games coming up in France and Barcelona are only going to reinforce the excitement and enthusiam that is already in Atlanta, not only locally but from regional and national advertisers. The 1992 Olympics will impact Atlanta reasonably well. I don't see the same enthusiasm spreading nationally, however.

"As for the presidential election, we did real well last time in all our markets. But the one before that, not much happened. And with Bush being a strong front-runner I don't know if there will be a big push on the Republican side, but maybe it will come from the Democrats.

"We have a lot of impact in outdoor from local, state and federal legislators from specific states because outdoor is a consistent medium for them. It has a 24-hour-a-day consistency to it which elected officials like. They can put their picture out there and have it stay for the duration of the campaign.

"As for any bump in overall spending: When you have things that impact the country, like a presidential election, it's always good for the economy. We've always done well by it, but I've never been through this type of recessionary environment.

"The last thing I heard is that they're having a hard time selling the Olympics from a broadcast standpoint. That's a good prognosis of what's going to happen unless something stimulates the overall economic environment. We need a stronger domestic economy."

—Laurie Freeman

Companies make cuts, but brands boost outdoor dollars

Top spending companies (first half 1991 vs. first half 1990, $ in 000s)

	Parent company	Jan.-June '91	Jan.-June '90	% change
1.	Philip Morris Cos.	$35,018.1	$37,761.0	-7.3%
2.	RJR Nabisco	27,041.2	23,669.8	14.2
3.	Loews Corp.	21,268.5	15,868.2	34.0
4.	B.A.T. Industries	13,234.2	5,786.2	128.7
5.	American Brands	4,804.6	4,197.8	14.5
6.	Anheuser-Busch Cos.	4,719.6	3,330.4	41.7
7.	Grand Metropolitan	4,285.8	4,641.4	-7.7
8.	McDonald's Corp.	3,527.1	2,612.3	35.0
9.	Seagram Co.	3,078.8	4,028.1	-23.6
10.	General Motors Corp.	2,581.5	2,047.2	26.1
11.	Guinness PLC	2,352.9	2,563.8	-8.2
12.	Matsushita Electric Industrial Co.	2,292.5	2,450.9	-6.5
13.	Bass PLC	1,525.6	1,382.5	10.3
14.	PepsiCo	1,496.3	2,949.0	-49.3
15.	Adolph Coors Co.	1,443.5	1,090.0	32.4
16.	Brown-Forman Co.	1,343.1	1,727.4	-22.2
17.	Manor Care	1,322.2	1,361.8	-2.9
18.	BankAmerica Corp.	1,283.3	1,958.3	-34.5
19.	CBS	1,175.4	1,011.9	16.2
20.	Gannett Co.	1,157.2	781.1	48.2
21.	U.S. West	1,130.5	1,361.6	-17.0
22.	Wells, Fargo & Co.	1,125.0	956.0	17.7
23.	Delta Air Lines	1,052.3	812.9	29.5
24.	Coca-Cola Co.	1,008.8	982.8	2.6
25.	Allied-Lyons	970.4	2,144.8	-54.8

Source: LNA/Arbitron Multi-Media Service

Top spending trade names (first half 1991 vs. first half 1990, $ in 000s)

	Trade name	Jan.-June '91	Jan.-June '90	% change
1.	Marlboro cigarettes	$17,206.7	$15,927.3	8.0%
2.	Newport cigarettes	16,552.3	14,622.7	13.2
3.	Camel cigarettes	11,826.3	7,571.0	56.2
4.	Winston cigarettes	9,977.1	5,056.1	97.3
5.	Capri cigarettes	4,651.0	2,313.8	101.0
6.	Kool cigarettes	4,541.0	1,529.9	196.8
7.	Kent cigarettes	4,455.1	175.3	2,441.4
8.	Miller beer	3,990.1	2,565.6	55.5
9.	McDonald's restaurants	3,527.0	2,611.1	35.1
10.	Raleigh cigarettes	3,251.2	252.7	1,186.6
11.	Bucks cigarettes	3,178.9	251.7	1,163.0
12.	Virginia Slims cigarettes	2,863.0	5,900.5	-51.5
13.	Salem cigarettes	2,720.5	7,433.9	-63.4
14.	Budweiser beer	2,377.4	1,190.6	99.7
15.	Universal City studios	1,821.7	2,122.4	-14.2
16.	Merit cigarettes	1,726.4	3,687.3	-53.2
17.	Parliament cigarettes	1,639.8	1,087.1	50.8
18.	Misty Slims cigarettes	1,534.2	9.2	16,576.1
19.	Holiday Inn hotels	1,525.6	1,382.6	10.3
20.	Benson & Hedges cigarettes	1,520.7	86.2	1,664.2
21.	Alpine menthol cigarettes	1,273.4	2,620.7	-51.4
22.	Saturn Corp. general promotion	1,243.9	–	NA
23.	Wells Fargo bank	1,124.7	956.0	17.6
24.	U.S. West public phones	1,063.2	1,294.5	-17.9
25.	Montclair cigarettes	1,063.0	1,356.3	-21.6

Source: LNA/Arbitron Multi-Media Service Note: Trade names include all products/services of the same name in an LNA subclassification

NOTE

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New study finds green confusion

By Joe Mandese

Consumers are still a little green when it comes to practicing what they preach about the environment.

A new study shows that people in the U.S. don't actually buy the products they claim to prefer.

The study, conducted as part of Simmons Market Research Bureau's 1991 Study of Media & Markets, is believed to be the first to link actual buying behavior with consumer attitudes on the environment.

While the study does show consumers are sensitive to environmental issues, it also shows that being concerned doesn't mean consumers will change buying patterns.

Indeed, it appears to contradict a recent study conducted by Gerstman & Meyers, a packaging consultancy, that found consumers overwhelmingly preferred buying products that are environmentally safe.

In the Simmons survey, 60% of women 18 and older agreed

(Continued on Page 56)

Fiat quits Euro RSCG

$70M account moves as conflicts build

By Bruce Crumley

PARIS—Client conflict fallout is starting to rain on Euro RSCG.

Last week, Fiat pulled $70 million in French business out of the agency.

Two other automakers—Mitsubishi Motor Corp. and Porsche—are also reviewing their accounts due to conflict concerns at the shop, formed earlier this month following a merger of France's two largest agency groups, Eurocom and Roux Seguela Cayzac & Goudard.

But Fiat is the first to move. The Italian automaker shifted its French below-the-line and ad budget to D'Arcy Masius Benton & Bowles after pulling it from Eurocom-owned MAO. It's the largest account move in France in the past three years. D'Arcy won the pitch over Leo Burnett Co. and the incumbent.

Fiat decided to review the account before Euro RSCG's formation, in part because Eurocom Advertising also handles the worldwide Peugeot account, agency sources say.

It's the largest account move in France in the past three years.

The sources in France, however, say when RSCG's worldwide Citroen account also entered the Eurocom family, the Italian automaker was convinced to take its French business elsewhere.

Fiat is in the process of consolidating the Fiat line account across Europe at D'Arcy and Burnett, said Vittorio Rava, director of advertising.

Last week, the automaker moved its $8 million Dutch account to Noordervliet & Winninghoff/Leo Burnett, Amsterdam, from FHV/BBDO.

Fiat "does not intend to reduce its ad spending but is rather keen to be more cost-efficient," Mr. Rava said. Rather than pan-European campaigns, each geographic area, such as Italy, Greece, Portugal and Spain, will have a lead agency to coordinate local campaigns.

Among RSCG and the Eurocom family of agencies, a total of three

(Continued on Page 56)

LAST MINUTE NEWS

KLM, British Airways talk

NEW YORK—KLM Royal Dutch Airlines said Friday it's "engaged in discussions with British Airways on a range of possible areas of cooperation." The announcement follows last week's *Advertising Age* story that Northwest Airlines and British Airways are discussing a corporate alliance (AA, Oct. 14). KLM holds 10.5% of Northwest's voting stock and 20% of common stock. It's unclear whether KLM is involved in the Northwest-British Airways discussions.

Interpublic, Omnicom stocks hot

NEW YORK—Interpublic Group of Cos. and Omnicom Group shares jumped in New York Stock Exchange trading last week. Interpublic closed at $52.75 a share, up $1.63 Friday and 18.5% from Oct. 10; Omnicom finished at $33.38, up $1.86 Friday and 15.6% from Oct. 10. Analysts said institutions seemed to be buying the shares in anticipation of an end to the recession and a pickup in the ad business.

Ayer may merge L.A. office

LOS ANGELES—N W Ayer plans to

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INSIDE

One on one: Carl Icahn talks about TWA's new fare promotion. **Page 4.**

DataWatch: What's a data base and who uses them. **Page 22.**

Ad review: Garfield says new test campaign for Kool isn't cool. **Page 58.**

AD AGE ROUNDTABLE: SEXUAL HARASSMENT

Doug Goodman

Discussing the issue of sexual harassment were Diane Rothschild, Myrna Blyth, Frances Lear and Louise McNamee.

'I don't see it as pervasive'

Top female execs say media, agency record is good

The Senate confirmation hearings of Supreme Court nominee Clarence Thomas and his Capitol Hill confrontation with Professor Anita Hill sparked nationwide debate on the issue of sexual harassment. Advertising Age *invited Frances Lear, editor in chief of* Lear's*; Diane Rothschild, president of Grace & Rothschild, New York; Myrna Blyth, publishing director-editor in chief,* Ladies' Home Journal*; and Louise McNamee, president-chief operating officer of Della Femina, McNamee, to share their views in a panel discussion with New York Deputy Bureau Chief Pat Sloan on how the issue and the debate have affected advertising, marketing and media. An edited version follows:*

■ **Sexual harassment issues are a hot topic at media companies, agencies and advertisers—Page 55.**

Advertising Age: *Do you think sexual harassment is a big problem in the advertising, marketing and media industries today, and to what extent?*

Ms. Lear: I think it's a big problem generally. I don't know how we stand as an industry, whether we're better or worse than anybody else. But it certainly is an enormous problem throughout the country. I would imagine certain industries are worse than we are . . . because we have some kind of enlightenment.

Ms. Rothschild: I don't think it's that much of a problem. Based on experience and from what I observe, there are isolated incidents that are offensive. But I don't see it being pervasive or as common

(Continued on Page 54)

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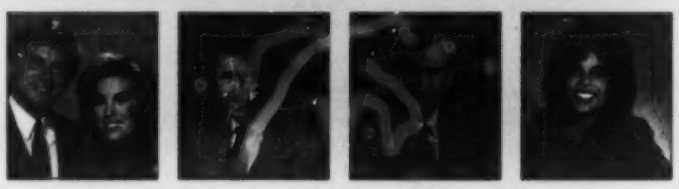

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NEWS SUMMARY

■ **Euro RSCG** is suffering from client conflicts, with Fiat last week pulling $70 million of French business. 1

■ **Women executives** discuss how the national focus on sexual harassment issues has affected advertising, marketing and media. 1

■ **Consumers don't** always buy the environmentally friendly products they claim to prefer. 1

■ **Chesebrough-Pond's** hopes to bite into Arm & Hammer's baking soda toothpaste sales with Mentadent, rolling into New England. 3

■ **Wonder bread** has inspired a new line of cereals from Ralston Purina. 3

■ **Apple Computer** keys in on pricing rather than advertising in today's new-product introductions. 3

■ **Carl Icahn** talks about his management style and marketing approach at Trans World Airlines. 4

■ **Mitsubishi Corp.** is offering major Japanese agencies support in expanding to Europe. 4

■ **Holiday marketing** is earlier than ever this year, with retailers starting promotions before Halloween. 6

■ **Grocery aisles** will carry new holiday treats this season, as well as some old favorites. 6

■ **MCI Communications** has made enough friends with its Friends & Family program to boost market share. 6

■ **E&J Gallo Winery** will lead the pack in holiday ad spending for sparkling wines. 12

■ **MTV** is filling its cross-media dance card with four magazine deals. 16

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■ **Frederik Zimmer** talks about the future of Source Perrier after last year's worldwide Perrier recall. 36

■ **Procter & Gamble** in Canada names 10 promotion agencies of record. 38

■ **Small liquor brands** are increasing advertising as most major liquor marketers cut back. 50

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■ **Volkswagen** may make some marketing shifts, with two key positions vacant and a sales slump looming. 53

■ **TV networks** are poised to undergo the earliest and most extensive retooling ever of prime-time schedules. 56

■ **'Star Wars'** goes two-dimensional as the 1977 film is re-released in theaters to support the introduction of a "Star Wars" videogame. 58

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'Pravda' struggles post-coup

By Betsy McKay

MOSCOW—*Pravda*, once the largest daily newspaper in the Soviet Union, has fallen on hard times.

The newspaper, formerly the rich child and mouthpiece of the Communist Party, is now faced with paying its own bills.

After being shut down in August during the unsuccessful coup, the paper declared its independence and became an employee-owned-and-operated publication. Instead of reporting Communist propaganda, the paper strives to be somewhat more objective.

Circulation has slid dramatically, a trend that started earlier. Circulation now stands at about 2.5 million, down 69% from 8 million in 1990, said Victor Linnik, *Pravda's* New York-based U.S. correspondent. *Pravda* now has the lowest circulation of all the established national dailies in the Soviet Union.

At this point, *Pravda* doesn't even know whether it or the disintegrating Communist Party owns the property where the daily is based. And bills for paper, are mounting.

Since the attempted coup, *Pravda* hasn't had access to the money in its bank accounts and isn't likely to get it, Mr. Linnik said.

The chief hope for survival is advertising.

"Thank God, the attitude toward advertising has changed," said Gennady Zafesov, *Pravda's* director of advertising.

GLOBAL NEWS

The paper's editorial leaders have realized that to survive, they will have to accept concepts like advertising that they used to consider evil.

Although the paper has had an ad department for almost eight months, few ads have run.

There are indications, however, that that may change.

Even though Western advertising has been practically nil, advertising in *Pravda* is up overall, Mr. Zafesov said.

As an example, he said his department netted four pages of ads in one week in mid-September, exceeding its usual volume of four to six pages per month. Ad rates are $50,000 to $60,000 for a page, but "prices are flexible," Mr. Zafesov said.

Most of the ads are for small stock exchanges—including the Russian Raw Materials & Commodities Exchange—and trading companies that are cropping up around the country. Soviet banks and financial institutions also advertise.

Mr. Zafesov attributed the lack of Western business to "the very difficult economic situation in this country.

"It seems to me that as soon as there are some real moves toward improvement, then things will pick up," he said.

Ads are also starting to pick up slowly at *Izvestia*. Although Advertising Director Eduard Gonzalez said so far he's seen no sign of an increase in advertising, a look at the 4.7 million-circulation daily indicates otherwise.

Recently, there have been half-page ads for Sony Corp. TVs and tape decks and automaker Hyundai, as well as quarter-page ads for Taiwan Computers and Ricoh Co. copiers. A recent eight-page issue contained two pages of advertising.

Izvestia is now independent but was the official organ of the Soviet Parliament until just after the coup.

Most foreign advertisers negotiate contracts through *Izvestia's* Western agent, German Burda Publishers.

Izvestia also plans to print a weekly 12-page issue on Fridays starting in 1992, an attempt to attract more readers than its usual six-to-eight-page format.

A 12-page experimental issue, published Sept. 24, contained 1½ ad pages, but Mr. Gonzalez is aiming for four. The rate now is $52,000 a page, but Mr. Gonzalez said, "We'll be cheaper next year." □

Advertising Age *intern Fyodor Nosov contributed to this story.*

What TV program is hot in Moscow? 'Dallas,' of course

By Betsy McKay

MOSCOW—"Dallas" attracted the most Soviet viewers during a week-long run of U.S. programming on Soviet TV's Channel 1, according to a poll of 500 Muscovites completed by Gosteleradio's social research center.

"Dallas" garnered 66% of the viewers, who gave the show a rating of 4 for entertainment value on a scale of 1 to 5, with 5 being the highest.

The glitzy prime-time soap gave the audience a chance to "acquaint themselves with the American way of life," considered "realistically portrayed," according to the study. The actors' looks and personalities, as well as the "moral values" portrayed in the dubbed programs, attracted viewers, the study said.

The shows aired from July 1 to 6. The 500 Muscovites polled, all over the age of 16, were chosen randomly from Gosteleradio's in-house list of viewers and asked to complete a questionnaire two weeks after the U.S. programming aired. The questionnaires were returned by early August to the All-Union Television & Radio Co., also known as Gosteleradio.

U.S. TV shows are "easy and relaxing to watch" and more professionally produced than Soviet TV, the study said.

"The Man From Atlantis" attracted 65% of viewers surveyed, achieving an entertainment rating of 4.2.

Other popular programs included "The Love Boat" (57% viewership), enjoyed for its "light comedy," and "Highway to Heaven" (53%), drawing viewers because of the charity and care shown for the elderly and general "belief in people," according to the study. "The Streets of San Francisco" attracted 38% of viewers surveyed, while "Little House on the Prairie" grabbed 24%. The two-part documentary "American Chronicles" pulled 27% for day 1 and 22% for day 2.

"The Flintstones" and "The Jetsons" grabbed 32% and 29% of the viewers, respectively.

Forty-three percent of those surveyed gave negative comments on the U.S. programming, with some complaining the programs were dated or "primitive" and aimed at the lowest common denominator of viewers.

Apparently not recognizing the cartoons as children's programs, some respondents said they would like to see children's or youth programs. Others expressed a desire to see sports shows and what they called "classical" programs —old films or concerts. □

The boobsky tube

The most popular U.S. TV shows in Moscow.

Show	% watching show	Rating*
"Dallas"	66	4.0
"The Man From Atlantis"	65	4.2
"Love Boat"	57	3.9
"Highway to Heaven"	53	4.0
"Beverly Hills"	38	3.5
"The Flintstones"	32	3.8
"The Jetsons"	29	4.0
"American Chronicles"	27	3.3
"Little House on the Prairie"	24	3.5
"American Chronicles"	22	3.0

*Entertainment rating, on a scale of 1 to 5. Two episodes of "American Chronicles" aired separately. Source: Gosteleradio

Visa charges ahead into Soviet market

By Betsy McKay

MOSCOW—Visa last month became the first credit card available to the general public in the Soviet Union.

Only the tiny percentage of Soviets holding a hard-currency account will be able to get the cards, which will expire every six months.

The cards, issued by Russian commercial bank Credobank for Visa International, will be linked to hard-currency accounts.

The cards are aimed at the growing number of Soviet business people traveling abroad.

Credobank hopes to issue 500 cards by yearend and 3,000 to 5,000 during a two-year period, said Ruslan Vassiliev, deputy general director of BBDO Marketing, the agency handling the credit card marketer's public relations and marketing.

Igor Lipanov, director of Credobank's credit card division, said an education print and TV campaign generated by the bank's own commercial department began this month. □

Show Off Your Stuff.

a call for entries

Chicago wants to see your stuff.

With the support of The Chicago Advertising Federation, O'Hare Plaza and *Advertising Age's* Creativity Magazine, The Off The Street Club is sponsoring a billboard design competition to raise money for and awareness of the organization. They invite you to "Draw The Line For Good."

The Off The Street Club
The Off The Street Club is a safe haven on Chicago's West Side that for 90 years has offered 3000 teenagers an alternative to gangs and violence. It is supported largely through the efforts of Chicago's advertising community.

How to Enter
Create a billboard design that captures the spirit of The Off The Street Club. The competition is open to advertising, sales promotion, public relations, graphic design and marketing communications agencies and corporate departments in the Chicago area.

Winners will have their design and name displayed on the O'Hare Plaza office complex billboard, visible from the Kennedy Expressway, and will be recognized at the dedication of the billboard. The winner and runners-up will have their designs showcased in the December issue of *Advertising Age's* Creativity Magazine.

Deadline for entries is NOVEMBER 18, 1991. For further entry details and guidelines, contact Dawn Gray at 312/372-9333.

Advertising Age's *creativity*

SEPTEMBER AD RESULTS

Skimpy fall fashions

September issues benefit little from traditional ads

By Scott Donaton

Traditionally ad-fat fall fashion issues shed some weight last month as the advertising depression wears on.

MEDIA WORKS

September issues are usually the year's thickest for women's magazines dependent on fashion, retail and beauty advertising. While that held true this year, September fashion books were slimmer than the same issues in 1990, Publishers Information Bureau reports.

Category leader *Vogue* saw ad volume fall 12.7% for the month but still carried an impressive 422.4 pages. Competitors didn't fare as well. *Elle's* 257.8 ad pages were down 22.9%; *Harper's Bazaar's* pages fell a painful 42.2% to 130.3.

Other fashion- and beauty-oriented women's titles down in pages for the month included *Cosmopolitan, Glamour, Lear's, Mademoiselle, Mirabella, New Woman, Self* and *Seventeen*. Conde Nast Publications' fledgling *Allure* carried an anemic 22.8 ad pages in September.

Twice-monthly *W* was the only title with cause to celebrate: Its 222.9 pages were up 42.4% from last September.

The men's fashion field posted similar results. *GQ*, with 223.5 pages, was down 24.2%. *M Inc.*—to be renamed *M* with its November issue—saw pages drop 18.2% to 124. *Esquire* was flat with 131.8 pages.

Overall, magazine ad pages for the month totaled 14,854.1, a 7.9% decline. After three quarters, PIB-tracked magazines were down 10% at 109,265.5 pages.

Forbes took the lead among PIB-tracked magazines for January-September with 2,317.2 ad pages, a loss of 6.9%. The every-other-weekly's 483.7 September pages were up 76.2%. That gain was primarily attributable to a strong showing by spinoff *Forbes FYI*, rather than increases for *Forbes*. The quarterly lifestyle supplement's Sept. 30 issue carried 78 ad pages, counted as part of *Forbes'* total.

Rival *Business Week* was second overall with 2,265.5 pages so far this year, a 20.4% decline, and likely will assume its place atop the PIB ad page chart in the fourth quarter despite substantial losses this year. *Fortune* was fifth overall with 1,940.9 pages, down 16.4%.

Among national Sunday magazines, *Parade* was up 6.3% through September with 551.1 ad pages. *USA Weekend's* 488.7 pages were down 2.3%. Among local Sunday magazines, *The New York Times Magazine* continued to bleed ad pages, down 27.1% to 1,953.5. The *Los Angeles Times'* Sunday magazine was flat after nine months with 669.2 pages.

At least two magazines had a reversal of fortune—one for the better and one for the worse.

American Health, where ad pages were off more than 40% after six months, saw pages rise 16.2% to 34.3 for the month. The gain left January-September pages down 29.4% at 231.3. *Runner's World*, where ad pages were up more than 40% at the half, carried 35.9 pages in September, a 37.9% drop. After nine months, its pages totaled 415.8, up 19.2%. □

Top 10 magazine ad categories by revenue

Category	1991 revenue	% chg	1991 pages	% chg
Automotive*	$614,894,613	(2.8)	10,785.4	(10.2)
Toiletries & cosmetics	$465,728,309	(3.2)	9,714.7	(10.7)
Direct response	$404,270,072	7.1	13,021.8	(1.4)
Food	$307,966,908	(9.3)	4,929.7	(15.4)
Business & consumer svcs.	$297,778,665	(15.9)	7,907.3	(19.5)
Apparel**	$290,542,360	(7.7)	9,747.1	(10.0)
Travel, hotels & resorts	$258,330,055	(7.6)	8,186.3	(9.0)
Cigarettes & tobacco	$203,470,501	(5.0)	3,362.7	(8.9)
Computers & office equip.	$184,209,254	8.2	3,903.6	1.1
Liquor	$141,416,618	(1.4)	2,957.5	(3.4)

Revenue and page figures are from January-September 1991. *Includes accessories and equipment. **Includes footwear and accessories. Source: Publishers Information Bureau

VideOcart hunts media deal

By Scott Hume

CHICAGO—VideOcart is looking for a media partner.

The in-store marketing company initiated discussions with all four TV networks and plans talks with major publishers to strike a deal for an advertising presence at supermarket checkouts.

VideOcart, whose liquid-crystal video devices on supermarket shopping carts display ads and store information as shoppers move through a store, says its two top short-term objectives are to sign a multibrand advertiser and a media company.

The media deal likely will be signed first, and soon, said VideOcart Exec VP Bob McCann.

"I'm confident we'll do a deal in the next few months," he said. "It may be with a newspaper or a magazine publisher or TV network, but we intend to have a checkout sponsor."

VideOcart recently signed a deal with Sears, Roebuck & Co.'s Discover card unit, making an ad for the credit card the first screen shoppers see when they start their tours through one of the 30 stores in 13 markets equipped with the devices.

The company wants an exclusive sponsor for the last screen, which now carries horoscopes, trivia questions and other entertainment features at the checkout.

"The screen could give the day's headlines and ask, 'Want to know more? See today's *USA Today*,' " he said. "Or say, 'What was Liz Taylor's wedding really like? Pick up this week's *People* magazine.'

"If we tie in with a TV network, the screen could give that night's prime-time schedule."

VideOcart's recent strategic alliance with Information Resources Inc. provides for a sharing of information, including household buying information from IRI's InfoScan service. That will allow package-goods marketers to decide which brands to promote via VideOcart in individual stores.

Similarly, it could allow multi-property media companies to use VideOcart to "micro-market" specific publications or TV programs based on lifestyle and viewing patterns of an individual store's clientele, Mr. McCann said.

Having completed a 2 million-share offering that raised $27.3 million in capital, VideOcart is moving into an expansion phase. It's promising advertisers and investors that it will be in at least 500 stores by 1993. □

MEDIA MIX

News briefs on print, electronic and alternative media.

Meredith's fall freeze. Meredith Corp. began a companywide salary freeze that it said will last at least one year and will affect all areas, including the company's magazine, book publishing and cable TV operations. In an internal memo outlining the freeze and other minor cost-cutting actions, President-CEO Jack Rehm stressed that the company hasn't been "forced into really awful decisions" such as massive layoffs or asset sales.

Court records. TeeVee Toons filed suit in the Supreme Court of New York State against *Details* and parent Conde Nast Publications, charging the magazine with the "intentional misappropriation" of a promotion that offered a customized music collection as a subscription premium. TeeVee Toons, a record company that had approached *Details* with the promotion, seeks at least $700,000 in damages; Conde Nast said the lawsuit is without merit. □

Joe Mandese coordinates Mediaworks.

Magazine ad page leaders

Publishers Information Bureau figures for January through September 1991.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Forbes	2,317.20	(6.9)	102,571,061	(5.2)
2	Business Week	2,265.55	(20.4)	138,645,819	(13.5)
3	Bride's	2,220.07	(5.7)	41,787,812	(0.1)
4	People	2,174.92	(12.8)	226,317,246	(3.9)
5	Fortune	1,940.94	(16.4)	100,663,427	(9.6)
6	Modern Bride	1,927.77	1.9	30,881,390	0.1
7	Vogue	1,887.72	(12.9)	75,514,537	(3.7)
8	TV Guide	1,751.19	(19.9)	204,384,266	(13.4)
9	The Economist	1,708.75	(12.5)	16,302,163	(4.1)
10	Sports Illustrated	1,540.89	(14.7)	210,607,027	(7.4)
11	New York Magazine	1,499.24	(15.6)	26,213,589	(8.9)
12	Entrepreneur	1,479.62	(1.7)	16,210,054	12.2
13	Cosmopolitan	1,439.35	(8.8)	93,525,284	(0.9)
14	Time	1,434.45	(20.0)	215,932,915	(12.5)
15	U.S. News & World Report	1,284.54	(3.0)	109,949,989	4.0
16	Newsweek	1,273.15	(17.5)	148,720,334	(12.8)
17	Glamour	1,237.73	(10.0)	67,082,972	(4.2)
18	Elle	1,213.57	(23.7)	40,082,239	(14.8)
19	Golf World	1,206.14	0.5	10,699,361	11.4
20	The New Yorker	1,183.46	(19.6)	32,349,917	(14.5)
21	Good Housekeeping	1,140.62	(6.9)	118,833,390	2.0
22	Rolling Stone	1,139.56	(15.8)	46,852,987	(7.1)
23	American Way	1,119.56	(12.1)	16,335,998	(6.3)
24	Skin Diver	1,100.85	(1.6)	11,163,332	6.1
25	GQ	1,100.51	(21.6)	29,851,020	(12.8)
26	Family Circle	1,064.68	(12.6)	91,778,520	(7.6)
27	Ladies' Home Journal	1,057.39	(1.5)	82,088,078	5.8
28	Muscle & Fitness	1,057.07	13.2	19,260,434	20.3
29	Yachting	1,037.15	(14.6)	6,732,879	(10.9)
30	Sunset	1,014.96	(6.4)	30,695,970	(8.1)
31	Mademoiselle	972.40	(15.7)	34,353,911	(8.5)
32	Parents	961.86	(5.4)	43,223,551	4.4
33	Car & Driver	953.53	(1.3)	37,671,826	2.6
34	Popular Photography	950.34	4.9	22,739,704	4.8
35	Texas Monthly	947.40	(3.5)	11,123,927	0.3
36	Travel & Leisure	931.96	(6.0)	39,763,165	(2.6)
37	Golf Digest	925.00	(8.1)	53,918,119	4.6
38	Better Homes & Gardens	906.81	(0.3)	113,321,609	10.0
39	W Magazine	906.80	(7.7)	21,233,071	(6.0)
40	Woman's Day	903.06	(8.3)	69,651,034	(2.5)
41	Vanity Fair	888.92	(7.5)	32,065,947	(4.5)
42	Architectural Digest	880.58	(32.6)	25,148,939	(27.8)
43	Southern Living	876.48	(5.9)	45,083,243	(4.7)
44	Money	827.98	(5.6)	56,834,828	4.3
45	Golf Magazine	826.25	(8.3)	30,925,160	2.5
46	Road & Track	809.43	(3.1)	24,634,762	(0.7)
47	Jet	779.40	1.2	13,845,355	6.3
48	Redbook	771.53	(9.6)	51,248,321	(5.3)
49	Seventeen	759.06	(23.7)	27,193,939	(9.4)
50	Gourmet	756.88	(12.0)	22,623,827	(1.7)
51	Harper's Bazaar	755.13	(24.2)	22,230,826	(16.8)
52	Bicycling	733.44	(7.9)	11,163,896	0.3
53	Salt Water Sportsman	725.97	(18.4)	5,137,379	(10.0)
54	McCall's	714.72	1.4	56,926,899	8.9
55	Town & Country	703.97	(34.2)	19,611,581	(24.2)
56	Conde Nast Traveler	700.17	(4.4)	21,000,596	2.3
57	Four Wheeler	694.87	(6.8)	6,341,522	7.1
58	Ebony	690.39	(11.4)	26,673,942	(3.2)
59	Self	685.91	(27.6)	27,927,390	(20.7)
60	Country Living	685.72	(13.7)	31,173,509	(2.2)
61	Black Enterprise	682.28	(2.5)	10,126,110	8.4
62	Inc.	663.45	(15.4)	29,646,944	(7.9)
63	Mirabella	660.42	(12.1)	14,245,746	16.5
64	San Francisco Focus	640.39	(23.9)	4,420,281	(20.7)
65	Bon Appetit	631.39	(13.3)	20,390,640	(8.0)
66	Outside Magazine	626.74	12.2	12,898,775	26.8
67	Esquire	623.28	(29.2)	20,823,145	(25.2)
68	Motor Trend	622.05	(7.0)	24,505,571	1.7
69	Entertainment Weekly	621.78	1.7	15,139,120	17.6
70	Reader's Digest	616.67	(20.5)	68,793,006	(14.9)
71	HG	616.15	(14.4)	16,820,680	(6.9)
72	Compute	603.19	NA	5,330,777	NA
73	Automobile Magazine	598.67	4.2	15,607,978	39.7
74	Working Woman	591.92	(19.5)	19,870,018	(13.6)
75	Smithsonian	589.23	(13.1)	26,260,202	(9.6)
76	Metropolitan Home	586.74	(28.0)	21,439,159	(17.6)
77	Parenting	585.90	9.5	13,631,386	45.1
78	Field & Stream	576.11	(4.8)	27,128,079	3.2
79	Delta Sky	572.67	(9.2)	16,076,970	2.2
80	Essence	570.96	(12.2)	16,261,589	(0.9)
81	Hot Rod	569.33	(7.2)	14,539,479	(1.6)
82	Penthouse	563.77	20.5	22,812,547	19.1
83	Tennis	563.71	(2.4)	19,966,998	1.8
84	Parade*	551.15	6.3	263,839,822	13.4
85	Outdoor Life	548.76	(9.4)	18,894,683	1.1
86	New Woman	547.01	(18.7)	15,091,392	(8.7)
87	Sports Afield	545.72	(8.7)	11,983,283	0.1
88	Playboy	541.02	7.0	35,202,284	4.1
89	Popular Science	520.33	(6.8)	16,131,703	1.8
90	House Beautiful	517.70	(2.6)	21,506,688	10.1
91	Popular Mechanics	514.96	(13.1)	18,447,716	(3.8)
92	Shape Magazine	510.96	7.2	8,553,067	(2.4)
93	Basemaster	492.52	(8.7)	10,253,107	(4.5)
94	Premiere	490.57	(10.5)	9,925,302	1.1
95	USA Weekend*	488.74	(2.3)	96,268,301	14.0
96	Yankee	485.40	(12.2)	6,355,227	(4.3)
97	Omni	482.89	12.7	13,252,478	(3.7)
98	Working Mother	481.00	(11.1)	11,840,362	(5.9)
99	M Inc.	467.66	(24.6)	6,460,046	(13.5)
100	Ski	465.65	2.5	9,337,765	2.5

Percent change compares January-September in 1991 with 1990. *National Sunday magazine, tracked separately by PIB. Source: Publishers Information Bureau

NOTE

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P&G's Artzt on ads: Crucial investment

By Jennifer Lawrence

Edwin L. Artzt, chairman-ceo of Procter & Gamble Co., thinks advertising is better than promotion for building brand loyalty, believes mediocre advertising is better than no advertising, likes advertising that lasts and doesn't plan to reduce P&G's investment in it. He is, however, reducing the cycle time for product rollouts.

In a wide-ranging interview with *Advertising Age*, Mr. Artzt shared his views on the role of advertising as he prepared to address the Association of National Advertisers' 82nd annual meeting in Phoenix, Ariz., today.

In a speech titled "Grooming the Next Generation of Management," Mr. Artzt will touch on key elements he thinks should be incorporated into ad training programs—possibly even at P&G.

"A belief in advertising really begins with developing professionalism in the people who handle advertising," he told *Ad Age*. "If they haven't been professionally trained, how can they believe in it? They will always have that doubt."

"Advertising is a longer-term investment, and it shouldn't be intruded upon by short-term needs."

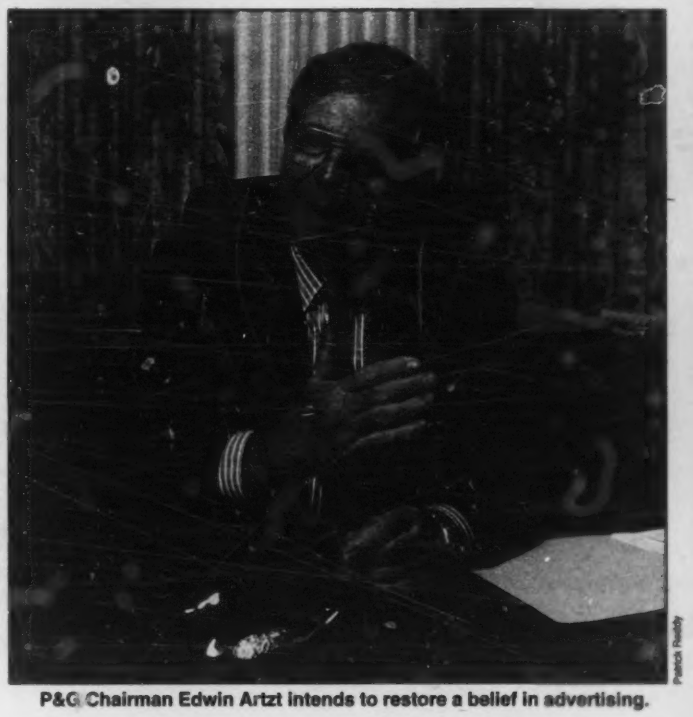
At one time P&G's manager of ad copy, Mr. Artzt intends to restore a belief in advertising at all corporate levels, from new hires to ad managers.

"Advertising is a longer-term investment, and it shouldn't be intruded upon by short-term needs," said Mr. Artzt, who acknowledged this belief is being put to test right now. P&G last week reported net earnings for the July-September quarter dropped 3%, to $536 million, compared with the same quarter last year.

"Everyone will say, 'Hey, you're not going to make your profit forecast, and what are you going to do about it?' There's that advertising budget just sitting there like a big plum ready to be plucked."

When it does get plucked, "It's

(Continued on Page 53)



Patrick Roddy

P&G Chairman Edwin Artzt intends to restore a belief in advertising.

This Bud's for her

Women to get 'equal roles' in new A-B campaign

By Ira Teinowitz

Anheuser-Busch says it's abandoning the traditional portrayal in beer advertising of women as sex objects as part of a major new direction for its flagship Budweiser.

There are still attractive women in tight clothes in the ads, but the company claims it's not now portraying them as typical beer ads do.

"We wanted to make a campaign that would cut through and take away from typical beer advertising in the '80s. In the future, women will have equal roles and be treated in equal manner," said August Busch IV, who recently became the brand manager for Budweiser.

A-B last week kicked off a sharply different "heartland" campaign as one part of a $75 million effort for Budweiser. The drive jettisons much of the strategic direction of the less than 2-year-old "Nothing beats a Bud" campaign, which the brewer said had become "arrogant."

The new effort calls Budweiser "as genuine as the people who drink it," and features real-life situations that often use a combination of older and younger people.

The campaign from D'Arcy Masius Benton & Bowles, St. Louis, still uses the "Nothing beats" tag but only as a final super.

"We didn't want to get into the body parts [advertising] of Coors Light," Mr. Busch said, "especially after the Supreme Court inquiry. We have heightened sensitivity to what has

(Continued on Page 49)

In Anheuser-Busch's new Budwe[illegible] woman trains a wheelchair athlete.

Coen expects '92 recovery, 9% ad $ hike

By John P. Cortez

ORLANDO, FLA.—The long-awaited and much-predicted economic recovery is around the corner, says Robert Coen, senior VP and director-forecasting at McCann-Erickson Worldwide, New York.

Though the ad industry traditionally lags behind the economy as it recovers, the industry should see a 7% to 9% increase in total media spending next year, he said.

Mr. Coen's forecasts are eagerly anticipated by the advertising industry, which generally has been expecting slow growth next year.

With anticipated inflation of 4%, Mr. Coen's forecasts translate to real growth of 3% to 5% in 1992. Mr. Coen doesn't distinguish between nominal and real growth in his forecasts.

Speaking to the Yellow Pages Publishers Association's annual convention, Mr. Coen predicted the U.S. could find itself in an economic boom by the fourth quarter of 1992.

Symptoms of the turnaround are appearing now, but too late to make 1991 anything but disappointing for most marketers and their agencies, he said.

"Things are starting to tighten up in some of the media

(Continued on Page 53)

LAST MINUTE NEWS

Lois/GGK buyout set

NEW YORK—Management at Lois/GGK reached an agreement to buy the agency from Trimedia Group, Zurich, executives familiar with the plan said. Trimedia acquired GGK in August 1990; GGK had bought Lois in January 1985. The Lois agency's new name is expected to be unveiled in the next few weeks. George Lois, chairman of the agency, wouldn't comment on the deal.

States oppose TV ad proposal

NEW YORK—Fourteen state attorneys general have asked the Big 3 networks to reconsider plans to relax standards restricting deceptive advertising. The move was made in response to changes proposed by ABC that would lift bans on several types of advertising, including ads featuring doctors or actors portraying doctors endorsing medical products. The attorney generals also urged ABC to abandon plans

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INSIDE

Business Media: Reeling through the recession. **After Page 36.**

Green Marketing: More easily said than done. **After Page B-32.**

Douglas Fraser

NEWS SUMMARY

■ **An economic recovery** will help the advertising industry see a 7% to 9% increase in total media spending next year, says forecaster Robert Coen of McCann-Erickson. 1

■ **Edwin L. Artzt,** chairman-ceo of Procter & Gamble, says advertising is best at building brand loyalty, and he wants to restore a belief in advertising at all corporate levels. 1

■ **Anheuser-Busch** says its new Budweiser ads will no longer include portrayal of women as sex objects, but will give them equal roles in real-life situations. 1

■ **Retailers** are sweetening their offers for consumer credit in an attempt to reverse a slowdown in sales of such big-ticket items as electronics, appliances, furniture and jewelry. 3

■ **Ad sales alliances** between unrelated media companies lack value-added incentives, some critics say. 3

■ **Republican National Committee** may run ads against former Ku Klux Klan grand wizard David Duke, the GOP gubernatorial candidate in Louisiana. 3

■ **Submarine sandwiches** are the hot item among fast-food chains and in supermarkets. 3

■ **Quaker Oats Co.** has begun an agency compensation program that includes a minimum guarantee. 4

■ **Ogilvy & Mather** split off its public relations and sales promotion units, which will report directly to WPP Group. 4

■ **Paramount Home Video** moved its estimated $10 million account to Ogilvy & Mather. 6

■ **Liggett Group** plans a marketing program for Lark, Chesterfield and L&M cigarette brands, reversing a 20-year strategy to promote low-price brands. 12

■ **Upper Deck Co.** is introducing basketball cards with a $3 million drive featuring Chicago Bulls star Michael Jordan. 16

■ **Bill Cosby and Bob Hope** topped a list of celebrities in a consumer survey of their value as product spokesmen. 17

■ **National Advertising Division,** in its September reviews, recommended Prego spaghetti sauce ads clearly identify competing brands and styles in thickness claims. 24

■ **Stouffer Foods** will heavily back its Lean Cuisine line in a bid to reverse falling market share. 24

■ **Taco Bell** becomes the first of PepsiCo's fast-food units to offer a breakfast menu. 47

■ **General Motors and Volvo** ads will play up other safety features to counter Chrysler's air bag push. 52

■ **The 'Arkansas Democrat'** bought the *Arkansas Gazette* from Gannett Co., ending a fierce newspaper war. The combined *Democrat-Gazette* hiked ad rates up to 42.9%. 52

■ **Ross Roy Group** will set up a unit under Ric Calvillo to offer research and strategic advice. 52

■ **Record labels,** no longer relying on free radio and video plays, are using paid media to promote new releases. 54

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Euro RSCG merger troubles U.S. units

By Jon Lafayette and Scott Hume

The future of Euro RSCG's agency stepchildren in the U.S. is getting cloudy.

When the two largest French agencies, Eurocom and Roux Seguela Cayzac & Goudard, merged this month, concern spread through Eurocom's New York-based Della Femina, McNamee; RSCG's Tatham/RSCG, Chicago; and RSCG's Messner Vetere Berger Carey Schmetterer, New York.

Of the three, Tatham's situation seems to be the most volatile.

Observers say the agency might be better off breaking away from Euro RSCG to retain $100 million in Procter & Gamble Co. business. That represents one-third of Tatham's billings.

Tatham's P&G business conflicts with Eurocom client Henkel, and P&G has a strict conflict policy. Euro RSCG executives appear unwilling to resign the nearly $100 million Henkel account.

Discussions between Euro RSCG and P&G to resolve the issue were held at P&G headquarters in Cincinnati last week, but no decisions were reached, Tatham sources said. The talks will continue "until everything is resolved," a Tatham executive said.

Tatham principals declined to comment on the buyback rumor or any other possible scenario.

"We have no further comment and have no announcements," an agency spokeswoman said.

If a sale was to take place, a management buyout appears to be the most likely possibility. But other agency groups seeking a strong Chicago office might also be interested.

RSCG acquired a majority stake in Tatham-Laird & Kudner in 1988. The agency was renamed Tatham/RSCG in May.

Even if the P&G problem is resolved, Euro RSCG could face problems with Della Femina, McNamee Chairman Jerry Della Femina.

Mr. Della Femina is said to be unhappy about sharing top billing with his new U.S. colleagues.

After a long-simmering feud, Mr. Della Femina earlier this year was named head of Eurocom-Della Femina, a North American holding company that was to include all of Eurocom's ad agencies.

But Mr. Della Femina was excluded from the RSCG merger talks and, after the merger was completed, Euro RSCG announced that Tatham and Messner Vetere would continue to report to Jean-Michel Goudard, president-international of Euro RSCG, not Mr. Della Femina.

It was unclear whether Mr. Della Femina would insist on having Tatham and Messner Vetere report to him or seek an alternate resolution to what appears to be a breach of his earlier agreement.

"I expect Euro RSCG will honor my contract," Mr. Della Femina said last week. "I don't see it as a major stumbling block."

Other sources close to Mr. Della Femina suggested the French parent might be running out of patience with Mr. Della Femina, whose agency hasn't had a good year.

They speculated that if three U.S. agencies are too many for Euro RSCG, then Della Femina, McNamee may be the one most likely to be jettisoned.

Other executives familiar with the situation maintained that a three-agency lineup could work for Euro RSCG if it resists the urge to merge them in search of economies of scale. □

GM card to give car credits

By Raymond Serafin

General Motors Corp.'s venture into credit cards next year will be aimed primarily at boosting vehicle sales and customer loyalty, say sources familiar with the planning.

The MasterCard program is likely to include a way in which card use will provide credits toward the purchase of a new vehicle, sources say.

That feature, comparable to "frequent flier" points associated with some airline-affiliated credit card programs, would be a first for an auto marketer.

It's expected there will be a cap on the total discount a cardholder can obtain.

Agency sources have confirmed that McCann-Erickson Worldwide, New York, will handle the estimated $70 million rollout, as expected (AA, June 24).

The launch is anticipated for early 1992, though lingering concerns about the economy could force a delay.

GM last week reported losing $1.06 billion in the third quarter, leading to concerns about starting a major program at this time.

Sources have declined to talk on the record because GM remains tight-lipped about the project, refusing to confirm that a credit card is in the works.

GM spokesman Tom Pyden acknowledged the hiring of Ron Zebeck (AA, Oct. 7) but wouldn't confirm whether he will be responsible for running the program. Mr. Zebeck had been VP-marketing at Advanta Corp.'s Colonial National Bank, the nation's 24th-largest issuer of credit cards.

The agency review was largely conducted by Philip Guarascio, GM's executive-in-charge of corporate marketing and advertising, but Mr. Guarascio delayed naming an agency until Mr. Zebeck was on board and could provide input on the decision.

Other GM agencies that pitched were Leo Burnett USA, Chicago; D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.; and N W Ayer, New York and Detroit.

McCann Direct is expected to be involved in the launch because direct marketing will likely play a significant role in signing up GM vehicle owners.

The media campaign will be aimed at both recruiting users and persuading them to use the cards.

The program will be a MasterCard "affinity" setup, in which Banc One Corp. will issue the cards. The cards will carry the logos of both the bank and GM. GM will get an estimated 1% to 2% of the charge volume generated.

Ford Motor Co. and Volkswagen U.S. are also operating credit card programs as ways to enhance owner loyalty.

Ford's financial subsidiary, the Associates, in June began issuing MasterCard and Visa credit cards with no annual fee plus a rebate of 1.5% on annual purchases.

MBNA America Bank issues the VW affinity card, launched in midyear with no annual fee and a yearly 3% rebate on purchases. □

Jon Lafayette and Kate Fitzgerald contributed to this story.

Ad community feels losses from fire

By Alice Z. Cuneo

OAKLAND, Calif.—About a half-dozen agency executives lost their homes last week when fire swept through the hills that overlook this city.

Bob Hoffman, president-creative director of Hoffman/Lewis, lost his 1920s Tudor-style house, which he had only recently bought.

At the time of the fire, he and his wife were in different parts of the Bay area and were unable to reach each other, creating a "mirror of the horror of the earthquake" of 1989, Mr. Hoffman said.

Sara Ecker, an account supervisor at J. Walter Thompson USA, San Francisco, who plans a December wedding, also lost her home.

Others who work in the industry in San Franciso who lost their homes included Mario Valencia, assistant treasurer at Gardner Communications; Bob Finkel, a copywriter at Viacom/FCB; and Robert Werts, partner at Carney & Werts.

Twenty Clorox Co. employees had to evacuate their homes, and nine of those homes were destroyed, a company spokesman said.

Dozens of others in the ad community were forced to gather a few possessions and flee the area. Damage in the fire was estimated at $5 billion.

"It was pretty terrifying," said John Yost, senior VP-general manager at Hal Riney & Partners, San Francisco. The fire missed Mr. Yost's home.

"We were really lucky," he said. □

NAD dips into spaghetti sauce fight

By Janice Kelly

NEW YORK—Campbell Soup Co. was one of seven advertisers that modified claims reviewed in September by the National Advertising Division of the Council of Better Business Bureaus.

NAD canned commercials for Prego spaghetti sauce, from FCB/-Leber Katz Partners, following a complaint from Ragu Foods.

Ragu said the spots erroneously communicated a claim that each variety of Prego sauce (Prego and Prego Extra Chunky) is thicker than each variety of Ragu. Also, Ragu stated it was unfair to compare Prego to a thin sauce while omitting mention of thicker Ragu varieties.

Campbell said it's entitled to select any target for its advertising, provided the two products being compared have been adequately identified. Ragu Old World Style was selected because it was the original variety of the line and retains the largest market share.

NAD agreed Campbell can select the target for its ads without noting whether other Ragu varieties more closely resemble Prego sauce in consistency.

But NAD concluded that one TV spot failed to identify the target variety in the audio segment; the specific names of the varieties were used only in the first seconds of the commercial and the later references to the brands were all in general terms. So NAD recommended current ads be modified to reflect those concerns.

Campbell said it would consider NAD's concerns in future ads and in modifying current ads.

Other ads modified or discontinued:

Abbott Laboratories (Selsun Blue and Extra Medicated Selsun Blue dandruff shampoos; Laurence, Charles, Free & Lawson): Procter & Gamble Co. objected to two TV spots claiming: "Selsun Blue relieves dandruff flaking better than Head & Shoulders, Denorex and Tegrin," and Extra Medicated Selsun Blue contains "the medicine doctors recommend most. Medicine that relieves flaking better than Head & Shoulders."

P&G said any comparison should be made with its Intensive Treatment formula, not its regular formula. P&G also said the reference "regular formula" was inaccurate. The white bottle formula is available in two versions: Normal to Oily and Normal to Dry.

NAD concluded the Extra Medicated Selsun Blue spot should be modified since a Head & Shouiders product wasn't shown and the super described it inaccurately as the regular formula. Abbott agreed to stop airing the disputed ads and to end references to P&G's "regular formula" in future comparison ads.

Albany International Corp. (Primaloft garment insulation; Damian Bisch & Partners): United Feather & Down challenged several ads appearing in garment industry trade magazines claiming: "Primaloft, preferred by experts 3-to-1 over down." United Feather said the headline implied that a survey had been conducted or that the named companies had expressed a preference for Primaloft. It also said the ads stated an unsubstantiated overall superiority claim. NAD recommended the claims be qualified.

Albany said there are no current plans to extend the use of the trade ads and will take NAD's concerns into account when developing future ads.

Phone Programs USA ("T2 Telephone Sweepstakes"; in-house): The Children's Advertising Review Unit challenged a commercial that appeared on an independent station during children's programming. The spot invited the viewer to "enter the 'T2 Telephone Sweepstakes' and lend the Terminator a hand, because he's going to give you his." CARU said "teleprograms for children should consist of totally self-contained story lines or completed audio products." Phone Programs said it will consult CARU when placing ads for future teleprograms.

Saab Cars USA (Saab 9000 CD Turbo car; Angotti, Thomas, Hedge): BMW of North America challenged newspaper and magazine ads claiming: "The Saab is faster, larger, safer and better protected. Unfortunately, it's less expensive. . . . " Other claims included: "It's one of the safest cars in the world," based on accident reports compiled by the Highway Loss Data Institute.

NAD said the information on the car's safety features and record alone wouldn't substantiate the comparative claim that it was safer than BMW. NAD also questioned the use of the term "accident reports" to characterize the institute's reports. Saab said it will try not to use the term in future ads and won't run the comparative ads in the future.

Toys "R" Us (in-house): NAD questioned a newspaper supplement headed: "The world's biggest toy store. Lowest prices guaranteed." After that supplement, but before the NAD inquiry, Toys "R" Us created a new campaign, running in October, that said, "Our price guarantee can't be beat," with the accompanying disclosure statement, "We guarantee our low prices." NAD said the revised claim and disclosure eliminated the issues. Toys "R" Us said it will eliminate a percent-off sales claim.

ConAgra (Healthy Choice frozen dessert; Campbell-Mithun-Esty, Minneapolis): Kraft General Foods, marketer of Breyers and Sealtest ice creams, questioned ads that claimed: "Healthy Choice ice cream has a premium quality taste equal to Breyers and Edy's. All the creamy taste of the richest ice creams." Kraft said in a taste test consumers preferred Sealtest vanilla ice cream to Healthy Choice vanilla. ConAgra said the ad has been revised, and comparisons to named brands and to "the richest ice creams" have been omitted.

Claim substantiated:

Anheuser-Busch (Bud Dry; DDB Needham. Worldwide, Chicago): Coors Brewing Co. complained about TV spots claiming: "Why are beers that go down so lightly watered down so heavily? Turn off the water and turn Bud Dry. Its smooth, draft taste is dry-brewed, not watered down. To drink light, yet satisfy completely. So why get soaked—when you can drink Bud Dry?" NAD concluded Anheuser-Busch had substantiated its claims. □

Lean Cuisine tries to heat up

By Julie Liesse

Stouffer remembers when Lean Cuisine was the hottest name in the freezer case. And with a new $15 million to $20 million ad campaign, it hopes to bring some of that magic back to the battered franchise.

In the past year, Lean Cuisine's share of the frozen dinner and entree category has fallen to 7.8% from 8.9%, according to Nielsen Marketing Research. That places the Stouffer Foods Corp. brand second in a dead heat with H.J. Heinz Co.'s Weight Watchers and nearly 3 share points behind ConAgra's Healthy Choice.

The marketing team that took over at Stouffer a year ago has already reformulated the 10-year-old line to be competitive with Healthy Choice in fat, cholesterol and sodium levels. Ten new entrees were added in February, with prices lowered across the line.

Stouffer last week broke a network and spot TV campaign, the brand's third creative positioning in a year.

"Since May, we've been working on a long-term campaign that expresses what Lean Cuisine has and what people eat for: taste," said Thomas Schafer, senior partner at agency Tatham/RSCG, Chicago. The two previous campaigns "were designed to level the playing field, more stopgap solutions."

The new campaign starts with two 30-second spots featuring consumers remembering when "you didn't worry about what you ate." One spot says: "Salt? Hey, no problem. Cholesterol? Who knew?"

The tagline is "The taste you can love for life."

Both commmercials use a male voice-over; one features a man as the Lean Cuisine consumer.

"We thought it was an opportunity to bring more men into the Lean Cuisine franchise," said Ed Marra, Stouffer's senior VP-marketing.

Print ads are scheduled to follow at the start of 1992, and several additional TV spots are in the works, Mr. Schafer said.

Despite the Nielsen numbers, Mr. Marra said, "Lean Cuisine's been gaining back volume all year." Nielsen does show that for the year ended Sept. 7 Lean Cuisine's unit volume was down only 7%, compared with the 11% drop in dollar sales—perhaps reflecting the impact of the price cut.

"I think what we are going to recapture is the magic of the Lean Cuisine and Stouffer [red box] combination," Mr. Marra said.

He said he thinks Healthy Choice is more vulnerable today because of "more competition—and more aggressive competition—and because of the overproliferation of the Healthy Choice brand. It's hard to execute and hard to maintain brand equity across so many categories."

ConAgra's latest additions are extra-lean ground beef and spaghetti sauce. They join a Healthy Choice franchise that's approaching $500 million in total sales. □

Falling share

Healthy Choice this year surpassed Lean Cuisine and Weight Watchers in its dollar share of the frozen dinner and entree category.

Brand	Share as of 9/8/90	Share as of 9/7/91
Healthy Choice	7.6%	10.7%
Lean Cuisine	8.9	7.8
Weight Watchers	9.6	7.8

Figures are share of 52-week dollar sales for the combined frozen dinner and entree category. Source: Nielsen Marketing Research

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LETTERS

Hot, not cold, and why

Your recent special issue on Magazines in America (Oct. 6) was a disappointment to us, as I'm sure it was to our client, Forbes Inc. . . .

At the moment, *Forbes*, which ranked 17th in ad pages among all PIB-measured magazines when Doremus acquired the account, rose to No. 2 by the end of 1990, and is now No. 1. . . . Its modest page loss through September is small compared with most other magazines in this tough year. And *American Heritage*, a past winner of three National Magazine Awards for General Excellence, is one of the few magazines ahead in pages for the year.

In my opinion, based on the strength of editorial, circulation quality and advertising success, Forbes Inc. is in remarkable shape for the future. Whose long-term record is better?

Yet, *Advertising Age* rated *Forbes* more cold than hot, with only a two out of a possible four. Half of the magazines you rated scored higher. *Newsweek*, down 17.49% in the first nine months, rated a three, as did Time Warner (with *People* down 12.81%, *Sports Illustrated* down 14.71%, *Fortune* down 16.35% and *Time* down 20.04%). While acknowledging Time Warner's $8.9 billion debt and the rumors that it may spin off its magazines, you still rate their prospects higher than Forbes!

Specifically, for a publication that says its forecasts are going to focus on the present and the future, your review of Forbes Inc. includes the following: 1) The death of Malcom Forbes; 2) Gratuitous mention of unnamed competitors' claims that *Forbes* negotiates rates and inflates page counts. (For the record, *Forbes* negotiates no rates. While *Forbes* originated none of its page incentive plans, it has met every plan offered by its competitors. What's more, all *Forbes* incentive plans are detailed in its rate card.); and 3) Volunteers that ". . . there is still a lingering odor from the failure last year of the poorly conceived *Egg*." Where does that odor linger? With *Advertising Age*? How many other magazine groups have experienced failed start-ups that were not mentioned?

Your reporter made no mention of: 1) *Forbes FYI*, the one-year-old quarterly lifestyle supplement that just published its record issue; 2) *Forbes'* international success with the German monthly, *Forbes von Burda*, and the new Chinese venture, *Forbes Zibenjua*; and 3) The simple fact that *Forbes* is now No. 1 among all PIB magazines in total advertising pages.

Advertising Age is entitled to its own opinion concerning which publications are hot or not, but it does seem to me that your forecasting is flawed. If the consensus among magazine publishers is that "the good old days are gone," then I am at a loss to understand how biweekly *Forbes* could rank so low when it has just become the nation's No. 1 magazine in ad pages.

Forbes' gutsy editorial and quality circulation have produced a great advertising success story. If this success, patiently pursued and promoted over more than two decades, is not a solid indicator of probable future progress, then I'd be interested in learning the basis on which editors make their puzzling prognostications.

Curtis Toreger
Chairman, Doremus & Co.
New York

Hispanic print growing

Your Magazines in America 250th anniversary issue was a bold move, and certainly appropriate for the times. I wonder how, though, in looking toward the future, you could neglect to recognize the impact Spanish-language media are having in the marketplace.

Print, as a medium for targeting Hispanics in large numbers, is only just *beginning* to flourish and is fast becoming a valuable tool for national marketers. While it is certainly small, it is definitely a part of the total story regarding changes in media in the U.S., and merits recognition.

Michelle S. Aragon
Vice chairman, Conill Advertising
New York

TAB ready to measure

In the Sept. 9 issue, you carried an observant editorial entitled, "The CPM benchmark under attack." We could not agree more with the comment that "we suspect a problem for non-traditional media will always be the lack of measurement. Most clients want some proof of performance, even if it is only how many pairs of eyes were exposed to the [ad]."

In fact, it was this need on the part of the advertising industry that brought about our reorganization some months ago to become the Traffic Audit Bureau for Media Measurement—a central source for the verification of all forms of out-of-home media. Most non-traditional media fall in this classification, and we have already audited ski-area displays and will shortly do the same for various in-store media forms, as well as a variety of others.

The TAB stands ready to tackle those auditable media not currently being certified so that CPM is not the only measurement of fulfillment and delivery.

Ken Sammon
President, Traffic Audit Bureau
for Media Measurement
New York

FREEZE FRAME

A bad omen

Who says we don't have truth in advertising?

This ad ran in September magazines in Florida. It warned people to ". . . look before you leap," and showed a pelican doing an impassioned *kamikaze* dive.

Southeast Bank failed and was taken over in late September. How much more truthful can one be?

Loren M. Seager
President, Intersouth
Creative Group
Tampa, Fla.

Grammar ain't easy

In response to Douglas Groner's remarks (Letters, AA, Sept. 30) about the grammar in our "Home Theatre" ad, Ed Crowne, our proofreader of 10 years, replies:

1) The adverbial form "easily" is also "easy." See Webster's.

2) VCR's. Standard reference texts make it clear that this plural may be formed with or without the apostrophe at the discretion of the author. Consider "pj's."

3) Reference texts state unambiguously that collective nouns (such as "line") may take a singular or a plural verb depending on intended meaning.

4) Resolution of "as- . . . than" is more troublesome. A brief, preliminary examination gives little or no reason to reach a conclusion one way or the other.

In closing, we wish to thank Mr. Groner for his concern, and for comparing us to Frank Perdue. Mr. Perdue became quite successful cutting up his chickens. We consider it something of an honor to do as well as with words.

David Fowler
Senior VP, Ammirati & Puris
New York

Advertising Age welcomes letters to the editor, but we ask that they be held to no more than 250 words in length. Address letters to Advertising Age, *Viewpoint Editor, 220 E. 42nd St., New York 10017.*

CORRECTIONS & CLARIFICATIONS

- Eric Lefton was misidentified in an item noting his promotion to VP at DDB Needham Worldwide, Chicago (AA, Oct. 21, P. 46).
- Wieden & Kennedy, Portland, Ore., handles print placement for Nike. SFM Media, New York, buys broadcast media but not print (AA, Oct. 14, P. 4).
- CGRW Advertising, Los Angeles, retains Fidelity Federal Bank as a charter client, not First Fidelity Bank as reported (AA, Oct. 7, P. 3).
- A chart showing the number of National Magazine Awards won per magazine ranked *The Atlantic* and its previous incarnation, *The Atlantic Monthly*, separately (AA, Oct. 6, P. 36). The magazine won a total of 13 awards, tying it with *The New Yorker*. □

'Leaders' issue corrections

The following corrections concern profiles in the 100 Leading National Advertisers special issue published Sept. 25:

Sales and earnings for **Campbell Soup** Co. for 1991 and 1990 fiscal years were transposed *(Page 12)*. The following table is the corrected version:

SALES & EARNINGS ($ in millions)			
Worldwide	**1991**	**1990**	**% chg**
Sales	6,204	6,206	(0.03)
Earnings	403	4	90.2
U.S.	**1991**	**1990**	**% chg**
Sales	3,912	3,933	(0.5)
Earnings before taxes	633	371	70.6
Division sales	**1991**	**1990**	**% chg**
Campbell N.A.	3,912	3,933	(0.5)
Campbell Canada	352	384	(8.3)
Pepperidge Farm	569	582	(2.2)
International Biscuit	219	195	12.3
Campbell International	1,223	1,197	2.8

Eastman Kodak Co.'s U.S. sales should have been $10.663 billion in 1990 vs. $10.869 billion in 1989, down 1.9%, and earnings from operations, $1.698 billion in 1990 vs. $785 million, up 116% *(Page 30)*.

I. Magnin & Co.'s Alvin Somers, sr VP-marketing/sales promotion, should have been included in personnel under the profile of I. Magnin's parent R.H. Macy & Co. *(Page 46)*.

Tom Schafer is the senior partner at Tatham/RSCG on **Nestle's** Lean Cuisine account. Robert Hielscher is managing partner as listed *(Page 52)*.

Teddy Borsen, associate creative director at Ketchum Advertising, New York, and co-creative group head on **Pfizer's** Coty account, was misidentified *(Page 56)*. □

BUSINESS TO BUSINESS

ADVERTISING AGE & BUSINESS MARKETING • CRAIN PUBLICATIONS

MEDIA BUYING & PLANNING

As

RECESSION REIGNS

No rebound in sight

As dollars vanish, one exec exclaims: 'I've never seen anything like this'

By Gary Levin

As if anybody didn't already know it, the recession has hit the business-to-business marketing community with a vengeance, and industry executives believe the changes it has wrought will become a permanent part of the business-to-business landscape.

A survey of advertisers and agencies conducted by Beta Research Corp. for *Advertising Age* and *Business Marketing* confirms the bleak picture many have painted for more than a year.

More than 60% of agency respondents say the recession has led clients to cut business-to-business media budgets this year, while another 26% say budgets are the same as in 1990.

Clients seem more optimistic—or at least less willing to own up to the recession's bite. More than 43% of clients surveyed report budget increases, while 41% say spending levels are flat and less than 15% say budgets are being cut.

"Our budgets are down over last year, but not as far as they could be because of new-product introductions," says Tom Mathie, manager of marketing communications for Westinghouse Electric Corp.'s distribution and controls business unit.

Still, that unit's total marketing budget is off 25% this year, he says.

Like many business marketers, Westinghouse is cutting media advertising and other areas it feels are less related to direct sales. In addition to media, allocations for trade shows and collateral efforts are suffering most, Mr. Mathie says.

"Because of the recession and the way marketing is being done these days, more resources of a firm like ours are moving toward marketing functions other than advertising," says John Casteel, manager of marketing communications at Dow Corning Corp.

Proportionately speaking, "more is going into direct marketing, more is going into trade shows and more into public relations," Mr. Casteel says.

But rather than increasing, budgets for those disciplines "are holding their own while [trade] advertising suffers a big hit," he says.

Indeed, more than 56.4% of the clients surveyed say business media advertising is now less effective than non-media marketing efforts.

Still, specialized business publications continue to rank at the top of the list of media getting the largest percentage increase by both clients and agencies, although many are consolidating their buys among fewer titles, according to survey results.

Steve Bjorkman

And contrary to Dow Corning's strategy, trade shows are mentioned most often—by nearly 20% of clients—as the most likely target for budget cuts.

Agency executives, normally ranked among the eternal optimists, are nearly uniform in their assessments of a troubled marketplace.

Since June, "I've noticed a lot of clients cutting out [budgets for] the rest of the year," says Lee Courtney, media planner and buyer for Mintz & Hoke, Avon, Conn. "They say '92 is going to come back, but once again I think that's probably not true."

"I've never seen anything like this in my life," says a blunt Fergus O'Daly, chairman-ceo at Poppe Tyson, New York, a business-to-business agency unit of Bozell, Jacobs, Kenyon & Eckhardt. "Here we have almost daily in the newspapers [reports of] complete turmoil. It seems like there's no bastion that's safe."

Worsening the near-term outlook is Mr. O'Daly's belief that business-to-business marketers "are often the last to come back to their budgets" following a recession because plant cutbacks result in reduced inventory.

"If the consumer market starts to move quickly, it's a little hard to start up a plant and move inventory" in a hurry, Mr. O'Daly says. That often leads to a four- or five-month lag until supplies can be boosted. "You don't advertise something you don't have to sell," he says.

After months of declines, spending levels appear to have flattened out at best, and even in must-have areas such as collateral and product

(Continued on Page B-30)

INSIDE

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Edited by Julie Steenhuysen

ABOUT THE SURVEY

To precisely gauge opinions on business-to-business media and marketing activities, *Advertising Age* and *Business Marketing* commissioned Beta Research Corp., Syosset, N.Y., to conduct a telephone survey this summer.

The randomly selected sample of 202 respondents, split evenly between advertisers and advertising agency executives, reflects a statistically projectable representation of industry opinion.

Cover illustration by Steve Bjorkman

Tossing the schedule out the window

Cancel and shift clauses critical for clients, agencies in such a staggering ad market

By Joe Mandese

Ask a business press publisher how many ads are running in the next issue and chances are the answer will be, "We'll know when we print it."

In this environment, an insertion order doesn't necessarily translate into a page of paid advertising.

With most business advertisers feeling the recessionary pinch, their agencies are insisting on—and often getting—greater flexibility in their media commitments. The contingencies allow their clients to pull out at the last minute to shore up their bottom lines.

"There is a great deal of volatility in scheduling and there's a lot of shifting around of schedules," notes William Mackey, VP-director of media and planning for Rumrill-Hoyt, Rochester, N.Y.

According to a recent Beta Research Corp. survey of agency media executives conducted for *Advertising Age* and *Business Marketing*, three-quarters of the respondents say cancel and shift clauses were important elements of media plans.

Nearly two-thirds of the respondents say they exercise such clauses frequently.

Normally, advertisers who cancel ad schedules and fall below contracted order levels are forced to pay higher ad rates. But agency media executives say increasingly conciliatory business media reps frequently turn a blind eye in an effort to keep the client's business.

Steve Bjorkman

"There's a lot of weird stuff going on," adds Robin Donovan, VP-media director of Mason & Madison, New Haven, Conn.

By "weird stuff," Ms. Donovan means greater contract flexibility. She says the practice usually is implicit rather than overt.

"Publishers don't really want to publicize it. They want to make you feel like you're a special situation."

But most business media buyers say it's a universal trend.

"It really depends on how close you get to the contract fulfillment. If you're just a little shy of it, a lot of times the publisher will not bill you for the space that did not run. It depends on how far you've missed it," explains Tyler Schaeffer, VP-associate media director of FCB/Leber Katz Partners, New York.

"If you miss a 250-page contract by 75 pages, that's one thing. If you miss 250 pages by 10 pages, I can't imagine a publisher short-rating you on the whole ball of wax," Mr. Schaeffer adds.

Mr. Schaeffer says some buyers now are inserting clauses in their insertion orders that give them contractual rights to cancel or shift their budgets—sometimes to other parts of the publisher's operations.

But business publishers say they're not detecting any significant changes in the wording of their media contracts.

"Contracts are a declaration of intent. And if you don't run, you get short-rated. I haven't heard of anyone who is giving up short-rating people who don't live up to their contracts," says American Business Press President John Emery. But he says ABP hasn't polled its membership recently on the topic.

While Penton Publishing hasn't revised its media contracts to include such clauses, Senior VP Jerome Neff has noticed more clients waiting until the last possible minute to commit to buys.

"It's safe to say that we have fewer and fewer long-term contracts," he says. "In the past, we may have had as much as 60% or 70% of our salesmen's space in an issue contracted for in advance. Now it may be 10% or 20%."

As a result, his sales force must spend more energy closing orders that remain open until the last minute.

"If that's had a direct impact on how many pages we carry, it's pretty difficult to measure," Mr. Neff says.

"But it has certainly has an impact on the amount of time that our salespeople can spend in front of customers selling the virtues of our magazines."

Whether written loopholes or implicit understandings, most buyers and sellers in the business press acknowledge that tight ad budgets and greater uncertainty over ad spending are leading to more flexibility and creativity in managing magazine ad contracts.

"I'm hearing so much creativity that my head is spinning," Ms. Donovan says. □

Riding the recession

What's the outlook for business-to-business media?

"Business-to-business marketing is moving away from [traditional] media advertising. . . . It's turning to forms of communication that are more targeted and, in some cases, more interpersonal, such as trade shows, and direct sales supported by direct mail, and sales promotions such as events and seminars."

"There will still be a place for the strong publication in any industry, but I don't think there'll be a place for three or four in each."

—John Casteel, marketing communications manager, Dow Corning Corp.

Interviewed by Sandra Pesmen.

J. Casteel

Published prices just don't rate

Advertisers are asking for—and getting—more bang for their ad buck

By Bradley Johnson

Trade books' rate cards don't rate the same respect they used to.

The economy has played a major role in rate card reduction. More than half of agency executives say rate discounting is more active now than before the recession, according to a Beta Research Corp. survey commissioned by *Advertising Age* and *Business Marketing*.

Left unsaid is whether those are negotiated discounts given to individual advertisers or deals such as frequency discounts or free premium positions offered to all comers.

Membership rules of American Business Press, a group that represents about 750 trade journals, prohibit offering space to one advertiser at a rate below that available to others.

But both cut-rate deals for individual customers and discount programs for all advertisers have become common in this recession.

Many publishers—including Cahners Publishing Co., the industry's biggest trade publisher, and Crain Communications Inc., whose titles include *Advertising Age* and *Business Marketing*—say they will not negotiate rates with individual advertisers.

"We do not negotiate rates," says Joe Cappo, Crain senior VP-group publisher and senior VP-publisher of *Advertising Age*. "It's a corporate policy that everybody pays the same published rates."

That doesn't mean everybody gets the same deal. Crain and Cahners, for example, both reward bigger advertisers with volume discounts and an assortment of value-added offerings (*see related story on Page B-8*). It's up to the advertiser to decide just what mix of extras offers the best deal.

"In magazine space buying and selling, rates are negotiable," says Richard Hamilton, senior VP-media director at D'Arcy Masius Benton & Bowles, New York. "Our ingoing belief is that off-card rate dealing of one sort or another is possible in a majority of cases" with business publications.

Even if a title won't budge on its official rate, Mr. Hamilton says, it often is willing to throw in a premium position or some other extra in the name of "value added."

For the advertiser, the end is the same—more bang for the buck—regardless of whether a deal is couched as a discount or a value-added program.

In the *Ad Age/Business Marketing* survey, 43.6% of media buyers surveyed say at least a fourth of their media placements carry a discount off published rates. More than a third of respondents say the average discount is 5% to 10%, including straight dollar negotiations and incentives, such as frequency discounts.

Three-fourths of the media buyers say the average discount is 20% or less.

The results reflect a sea change for trade magazines, says ABP President John Emery.

Discounting was "almost non-existent" in trade advertising until about five years ago, he says. But then negotiated rates, after spread-

(Continued on Page B-8)

Recession rams rate cards

Has the recession resulted in more or less active rate discounting (percentage of agency respondents)?

What percentage of your print media placements are now made at a discount off published rates (percentage of agency respondents)?

Less than 25%	54.5%
25%-50%	29.7%
51%-75%	4.0%
76%-100%	9.9%
Don't know	2.0%

What is the current average percentage discount off published print advertising rates–including straight dollar negotiations and incentives such as frequency discounts–and what was the average discount before the recession?

	Percentage of agency respondents saying:	
Amount of discount	Current discount	Discount before the recession
Less than 5%	18.8%	48.5%
5%-10%	34.7%	22.8%
11%-20%	21.8%	11.9%
21%-30%	6.9%	3.0%
More than 30%	4.0%	2.0%
Don't know	13.9%	11.9%

Source: Beta Research Corp.

CYNTHIA WATSON

'Open candy shop'

Cornucopia of value-added options makes a lasting impression on eager advertisers

By Bradley Johnson

There's very little a media company won't do these days in the name of value-added services.

And advertisers are hooked.

Cahners Publishing Co. is working on a package for a key advertiser in which it will produce custom newsletters, prepare advertorials, print brochures, generate direct mail to the client's customers and dispatch editors to talk at client sales meetings. The package is the largest ever attempted by the trade publisher, says Chuck Moodhe, senior VP-general manager of Cahners' Chicago division. Costs for the services have yet to be negotiated.

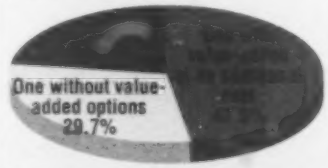
Except for the advertorials, these efforts are only tangentially related to selling more ad pages. In the name of added value, the trade publishing giant thinks it can boost its client's business, make a buck recycling its own resources and, over the long run, sell more ads by building a relationship.

"We're making our resources available to people to help them increase the sales of their product as opposed to just giving them some cut-rate way to run their advertising," Mr. Moodhe says.

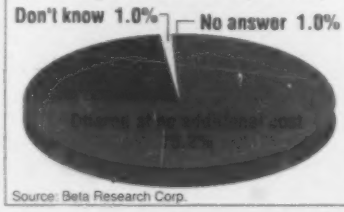
"This is not something that's going to give [us] more space in the October issue. Are we going to get more advertising space out of them this year? I would think so," he says.

Opting for added values

If a media decision came down to a choice between one of two properties, which one would you favor (percentage of advertiser respondents)?



Do you expect to pay more for value-added options or do you expect them to be offered at no additional cost (percentage of advertiser respondents)?



Source: Beta Research Corp.

CYNTHIA WATSON

At its worst, value added is simply a euphemism for "discount."

At its best, it taps a publisher's resources to give clients ideas, products or services they wouldn't otherwise have—all ways of stretching a client's marketing budget.

Clients like that.

The Beta Research Corp. survey of business advertisers for *Advertising Age* and *Business Marketing* indicates many business advertisers are so enamored with value-added options that they're willing to pay extra for them.

More than 75% of clients responding to the survey say they don't expect to pay more for value-added options. However, if it came down to a choice between no value-added options or those offered at an additional cost, 47.5% say they'd rather pay for them than do without.

"I really encourage our agency to go after the added value, the merchandising, [the] promotional side," says Marty Brandt, communications manager at Sun Microsystems, the computer workstation marketer. "I am not as interested in knocking the price off as I am in getting some added value."

Mr. Brandt and his agency, Anderson & Lembke, San Francisco, are considering separate offers from International Data Group's *CIO* and CMP Publications' *InformationWeek* to sponsor luncheons that would bring together Sun and its customers. "It's a chance to get some feedback," Mr. Brandt says.

Sponsoring lunches, cocktail parties and seminars are among the

(Continued on Page B-10)

Rate cards

(Continued from Page B-7)

ing from broadcast to consumer magazines, began infiltrating segments of the business press, Mr. Emery says.

Trade discounting took off with the recession. Mr. Cappo figures half of business magazines "are wheeling or dealing their pages in some way," he says.

Chuck Moodhe, a Cahners senior VP, estimates 25% of trade publication ads are being written with rates negotiated off the card.

The fiercest discounting—including cutting special rate deals with individual advertisers—comes from second-tier publications, publishing and advertising executives say.

But pitching price as a title's main virtue doesn't necessarily go over with advertisers.

"There's a damaged goods mentality there" when a magazine offers a cut-rate deal, says Marty Brandt, communications manager at Sun Microsystems. "If there's something fundamentally unstable about the publication or the audience they deliver, discounting it another 10% or 20% isn't going to make it much more attractive."

'When we see heavy discounting, we start to question what's going on'

Major discounting can signal that something is amiss, advertisers say.

"When we see heavy discounting, we start to question what's going on," says Cheryl Coultas, an account supervisor at Dahlin Smith White, Salt Lake City. "We want to advertise in the healthiest publications."

Though the recession may be ending, discounting shows no signs of waning.

Robert Coen, senior VP-director of forecasting at McCann-Erickson Worldwide, New York, says trade publications overall will be lucky to get a 3% to 5% rate increase for 1992, about even with this year.

Trade publishing, with the exception of generally healthy pockets, such as computer titles, remains depressed, meaning continued pressure for discounting to generate revenues.

"As our beloved president would say, 'Can we put the genie back in the bottle?' " Mr. Cappo says. "I'm not sure we can." □

'Candy shop'

(Continued from Page B-8)
more popular ways trade magazines cater to their clients.

Other ideas on the value-added menu include marketing research, such as testing ads with focus groups, and offering services at trade shows, including distributing client brochures, providing premiums and even putting up outdoor boards promoting the client.

"It's all negotiable, and it's only limited to the clients' and publications' imagination," says Cheryl Coultas, account supervisor at Dahlin Smith White, Salt Lake City.

Some media companies, including Crain Communications Inc., publisher of *Advertising Age* and *Business Marketing*, dole out a certain dollar amount of value-added benefits with set formulas based on how much an advertiser spends. Others, such as Cahners, are more flexible—leaving the door open to hard bargaining by the advertiser.

'I really encourage our agency to go after the added value'

"We have to focus the package to meet the needs of the advertiser," says Ira Herenstein, exec VP-computer and communications group at McGraw-Hill.

"One might want the stock report . . . one might want mailing labels, one might want the breakfasts, and somebody might want them all. If you give us enough advertising, it's an open candy shop," he says.

With advertisers seeking out value-added deals, small publishing companies are hard-pressed to match the resources of a giant. Mr. Moodhe boasts that Cahners—with its massive data base, printing clout and advertising and editorial resources—can create co-op ad programs, translate ads to reach foreign audiences and even print sales materials cheaper than a client can do on its own.

The emphasis on value added is an outgrowth of the recession, which forced publishers to find new ways to sell ads and generate revenues. But value added won't disappear with the recession.

"I don't think we ever really looked at our resources" until this recession, Mr. Moodhe says. "It's forced us to take a good, hard look at how we operate. We're learning all of the resources or talents that we have had available. We're enjoying our economies of scale and learning of their asset value for the first time."

But advertisers, accustomed to getting value-added services free, have mixed feelings about paying for the passel of services offered by Cahners.

"My problem is, as a buyer, I don't expect to pay for value added," but think it should be thrown in at no additional cost, says Ms. Coultas, whose agency places ads for Intel Corp., the semiconductor giant, in Cahners titles.

Still, she says she believes advertisers will be willing to pay for some of Cahners' non-advertising services.

Although Cahners has expertise in some areas—such as research and printing—tied to the business of magazine publishing, its ability in other areas like creating direct mail must be proven, Ms. Coultas says.

"I would definitely be interested in the programs they have available," particularly in research and printing, she says. "[But] I'm skeptical about the creative services that they may be offering." □

Kate Bertrand contributed to this story.

Riding the recession

How have your dealings with the media evolved during the recession?

"We don't see much going off rate cards.

"We're seeing much more bundling discount structures with sister publications [within one company]. If you advertise in one, you get a discount in another, so if you have six insertions in three different publications, you're effectively earning the 18-times rate.

R. Owens

"The other mechanism is bundling additional services with basic advertising. Traditional things you see are merchandising to distribution networks, such as sending out copies of the publication with a cover letter from the publishers saying, 'We want you to know that Poqet is running an ad this month and you'll be getting leads for your sales force or dealer network. They're also doing 'did you buy?' studies and follow-ups."
—Robert Owens, director of marketing communications, Poqet Computer Corp.

"One thing we hadn't seen before is that more than one publication offered to give us the findings of specialized research reports they commissioned at their own expense as an enticement to advertise.

"They will commission a special study on the [software] industry, or on how business leaders make their MIS decisions. When they say, 'We would like to present this research to you to use for your own marketing purposes,' it is very interesting to us. It's tempting. This is a new market offering they're making now that wasn't always there."
—Karen Buttermore, marketing communications manager, KnowledgeWare

K. Buttermore

"We've probably had a greater emphasis on marketing public relations than before the recession, making sure to cover our bases across all the trade media with case histories and new products application stories. We've had very good results in terms of product interest and leads.

R. Dinsdale

"I can't say those [magazines] we're dealing with have shown a whole lot in discounts. Should they? Should we offer discounts to our customers in tough times?

"Probably not. We have to make an honest buck and so do they."
—Richard Dinsdale, marketing communications manager, 3M Co. Electro Products Group

Interviewed by Sandra Pesmen.

Slowing down the hemorrhaging

Marketers shift, now favor balance of trade books, shows and direct mail

By Betsy Spethmann

Business marketer retrenchment is helping trade publications weather the media recession.

Many companies this year have boosted their reliance on specialized business publications, according to a recent Beta Research Corp. survey of business marketers for *Advertising Age* and *Business Marketing*.

Although more surveyed advertisers have boosted direct-response efforts than business press placements, trade press received the single largest budgetary increase among the respondents.

Nearly 49% of respondents say their companies this year earmarked a larger percentage of marketing budgets for specialized business titles, compared with 53.5% bumping up direct-response activities. However, almost 29% say ads in trade books are getting the biggest percentage increase of total budgets.

That represents a reversal for business marketers, who for the past 10 years have cut the percentage they earmark for trade ads, says Peggy Nordeen, president of Starmark, a Chicago business marketing agency.

Recent mergers and reorganizations have made trade books more valuable to keep awareness high industrywide, when marketers can't be sure who their individual prospects are, she says. When marketers know their prospects, direct mail can be most effective, she says.

A recent survey by Starmark shows executives consider media ads the No. 1 tactic for "marketing to the recovery in 1992." Direct marketing and trade shows ranked Nos. 5 and 7, respectively, out of eight tactics.

This year's shifts in budget roughly correspond to respondents' perceptions of which media and marketing tactics are most effective in selling products.

When asked which three media and marketing areas were most effective in their ability to result in a sale, 64.5% cite trade books; 45.5% say direct response; and 42.6% cite trade shows.

The business-to-business tactic suffering most from the recession is trade shows, with 19.8% of executives saying trade show budgets have been cut more than any other tool, and 16.8% citing the economy as a reason for the cuts.

While marketers favored trade shows and direct mail in the '80s, they're now "seeing a need for balance, looking at each tool as part of the whole and better understanding each tactic's role," Ms. Nordeen says.

She cites three reasons marketers are relying more on trade ads. With more companies developing "buying committees," it's hard to directly target all the individuals who influence purchases.

High turnover among customers and prospects—exacerbated by the recession—also makes it tough to target individuals.

And aggressive marketers are taking advantage of a recession-induced marketing lull to reach prospects while competitors cut trade advertising, Ms. Nordeen says.

Marketers likely will devote more money to image and brand-building ads as the recession fades, says Steve Trygg, chairman-chief creative officer for Anderson & Lembke, New York.

Still, the return to more trade ads hasn't yet been a boon for publications. "The recession is hitting business publications less seriously than consumer books, but it's still serious," says John Emery, president of American Business Press.

Total ad pages from January through June this year are down 11% compared with the same period last year, according to MMS-Rome Reports, which tracks 692 business-to-business publications in 87 industries.

The continued growth of direct mail is a boon for publishers, who profit from renting their subscription lists. But that's "a mixed blessing—if all the advertising shifted to direct mail, there wouldn't be any lists to sell," Mr. Emery says.

Marketers will continue to use direct mail as part of integrated marketing strategies, Mr. Trygg says.

Trade ads and direct mail—especially using a trade publication's mailing list—are a strong combination, Ms. Nordeen says. □

Strong response for direct activities...

Percentage of client companies saying the following media and marketing areas are receiving a larger percentage of total business-to-business marketing budget in 1991 vs. 1990.

Direct-response activities	53.5%
Dealer/distributor materials	49.5
Specialized business publications	48.5
Trade shows	43.6
Research	30.7
Sales force	24.8
Conventions/seminars	22.8
Business directories/reference books	18.8
Local/regional business publications	17.8
Video	13.9
General business magazines	12.9
Newspapers	8.9
Public/investor relations	7.9
Cable TV	3.0

Percentage of agency media directors reporting medium receiving a larger share of clients' business-to-business media budgets in 1991 vs. 1990.

Direct mail	60.4%
Specialized business publications	44.6
Other direct-response activities	33.7
Video	21.8
Local/regional business publications	17.8
Cable TV	15.8
Radio	12.9
Business directories/reference books	11.9
Newspapers	7.9
Broadcast TV	7.9
General business magazines	5.0

...but trades are tops in effectiveness

Which media and marketing areas are most effective in terms of their ability to result in the sale of your company's or clients' products/services?

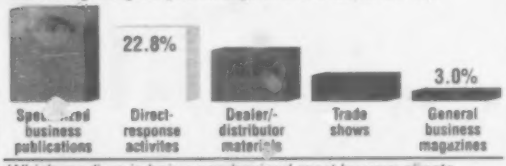
	Clients	Agencies
Specialized bus. pubs.	64.4%	78.2%
Direct-response activities	45.5	66.3
Trade shows	42.6	*
Dealer/distributor materials	33.7	*
Local or regional bus. pubs.	19.8	28.7
Sales force	18.8	*
Business directories	13.9	12.9
General business magazines	11.9	18.8
Conventions/seminars	8.9	*
Video	7.9	7.9

Notes: * represents options not asked of agency respondents; totals exceed 100% because respondents were asked to name three most effective.
Source: Beta Research Corp.

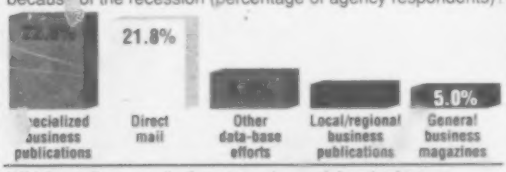
CYNTHIA WATSON

Specialized press trades on reputation

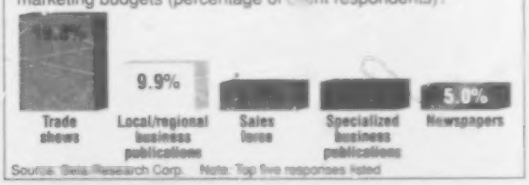
Which media or marketing option is receiving the largest percentage increase of 1991 business-to-business media and marketing budgets (percentage of client respondents)?



Which medium is being emphasized most by your clients because of the recession (percentage of agency respondents)?



Which media or marketing option is receiving the largest percentage decrease of 1991 business-to-business media and marketing budgets (percentage of client respondents)?



Source: Beta Research Corp. Note: Top five responses listed

CYNTHIA WATSON

Client caravan tries direct route

Budgets show driving force of direct-response efforts

When it comes to marketing dollars in today's economy, business marketers are taking the direct route to sales.

Of the clients responding to the Beta Research Corp. survey for *Advertising Age* and *Business Marketing*, 53.5% say direct-response activities are receiving a greater percentage of their budgets this year. Among agency executive respondents, 60.4% say direct mail accounted for a greater share of billings this year vs. last.

Further evidence of marketers' emphasis on sales-directed efforts is reflected in the emphasis on dealer/-distributor materials, with 49.5% of clients indicating a larger percentage of their total business marketing dollars are being directed there this year.

All that tells a sorry tale for specialized business publications, the traditional budget leader, which ranked third among client budget increases.

Only 48.5% of business marketers say trade magazines will garner a greater share of their marketing budgets.

But compared with other media, business publishers should feel lucky. General business magazines are receiving increases at only 12.9% of the responding client companies this year. Even local/regional business publications bested the general business books, receiving increases at 17.8% of respondent companies.

Results from agency respondents, which ranked media options only, mirror client company opinions.

More than 60% say clients are bumping up spending in direct mail vs. the 44.6% who say specialized magazines will receive a bigger chunk of their clients' budgets. Another 33.7% of agency respondents say clients are directing a larger percentage of their budgets to other direct-response or data-base activities.

Video, another direct-sales medium, is receiving a greater percentage of clients' budgets at 21.8% of the agencies surveyed.

Again taking a big hit are other non-trade book forms of business press. Clients are directing more of their marketing dollars to local or regional business publications at 17.8% of responding agencies, while general business magazines are only seeing increases at 5% of the agencies polled.

—Julie Steenhuysen

A PASSION TO BE THE BEST...

- 500,000+ professional/ managerial readers
- 80% male—at 42, they're at the height of their careers

WITH THE MEANS TO ACQUIRE THE BEST...

- $100,000+ median household income
- $240,000+ median net worth
- $200,000+ median home value

LOOK BEYOND THE NUMBERS

Learn more about our readers' attitudes in a ten minute video. Contact Susan Holland, Associate Publisher, at (312) 988-5993.

Declining inquiry rates turn up the pressure

But phone calls and faxes put a dent in traditional response-measuring method

By Joe Mandese

Trade publishers increasingly are coming under fire to prove performance as advertisers focus more than ever on the quality and number of inquiries their ad placements generate.

"Media is becoming more accountable," notes Tyler Schaeffer, VP-associate media director of FCB/Leber Katz Partners, New York. "If we can prove that it's working, that's a good sign for increasing media budgets. And if it ain't working, let's cancel it and find something that is working."

As a result, Mr. Schaeffer says there's an increasing emphasis on media that can provide a direct response. Although communicating an image is more important than generating a direct response to some advertisers, accountability now is a factor in both, he says.

'If it ain't working, let's cancel it and find something that is working'

The problem is the number of inquiries generated by reader service numbers, the main measure of responsiveness, "is shrinking at an alarming rate and there's a lot of panic going on," adds Robin Donovan, VP-media director at Mason & Madison, New Haven, Conn.

Ms. Donovan says declining inquiry rates are putting pressure on agencies trying to rationalize buys in the business press.

However, the trend may have less to do with the effectiveness of the medium than with changes in technology and the way in which potential clients seek information, she says.

A confidential survey conducted recently by a business publisher in the engineering industry seems to confirm as much.

Asked how they prefer to follow up on a product they read about in a magazine, only 28% of readers surveyed cited reader service cards, while 64% cited phone calls and 8% sent faxes directly to the advertiser.

"Inquiries started to dwindle because people don't want to use reader service cards. They want direct response, too," she says.

"They want to use telephones and the people who get the phone calls don't tell the publication and the publication has no way of tracking it unless it's a reader service card." □

We were advising small business when Dow was microscopic.

Since 1912, no magazine has examined the workings of small business like Nation's Business magazine. Every month, Nation's Business delves into issues like workman's comp, employee healthcare, taxes, trade, finances and computers for 850,000 subscribers. 69% of whom are in top management. Put your message where they can focus on it. Call Bob Gotshall, 313-354-1180, and advertise in Nation's Business.

Nation's Business
The Small Business Adviser

Logistics snarl integrated efforts

Coordinated programs win high marks, but getting go-ahead a problem

By Kate Bertrand

Integrated marketing—the buzzword of business publishers and advertisers—is experiencing growing pains.

Both media sellers and clients say they want to provide it, but there's disagreement over whether either side is prepared to handle it.

All agree it's the key to remaining on the cutting edge in business marketing.

For marketers, having coordinated strategies and messages is becoming increasingly important as budgets feel the recessionary pinch, says James Reilly, general manager of marketing services and communications with IBM Corp. "Corporations are all under pressure . . . to demonstrate a return on the communications investment."

For publishers, it's a need to follow the advertiser.

"Something's changing out there in the marketplace," says Ira Herenstein, exec VP-computer and communications group at McGraw-Hill. "The new game is to use [our resources] in focusing on advertisers' and customers' needs," he says.

"Business publishing is changing like our customers' businesses are changing," adds Cahners Publishing Co. Exec VP Frank Sibley.

"We have customers who say to us, 'We want to partner with you. We will take the time to explain to you what our broader marketing goals are. We expect you to come back with a well-thought-out presentation that is far beyond three titles that we ought to be placing print advertising in.' "

Despite some confusion over definitions (*see related story on Page B-29*), business marketers are clear in intent: They expect to buy more than just ad space from publishers.

In a recent survey conducted by Beta Research for *Advertising Age* and *Business Marketing*, 82.2% of agency respondents and 61.4% of advertiser respondents say it's "very" or "somewhat" important for media sales reps to combine media and marketing options when making presentations.

Despite advertiser demand for integrated marketing and publishers' willingness to provide integration in some form, the corporate organization of marketers and media vendors has hindered its implementation.

"There haven't been many [media] people knocking our door down with integrated packages so far," says Mike Neavill, PR and advertising director at AT&T Microelectronics. "I don't think the media really have it together yet, and the ad agencies can't really pull it off yet either."

Buying and selling

Steve Bjorkman

media "have become a problem," says Jerry Bryan, director of corporate communications with Sverdrup Corp., an engineering/architecture company. "The classic industrial marketer had an ad manager. He smoked a short cigar and had a belly overlapping his belt."

Today's industrial marketer is organized differently, Mr. Bryan says. Either the marketer has one person supervising all marketing communications activities or those functions are divided among various departments such as trade shows, direct marketing, etc.

"For a while the publisher's rep could deal with that. But now the situation on the publisher's side has also changed from one product to sell to up to a dozen products to sell," he says. "So you've got more products to put against more buyers, and somehow the system then has to be altered."

In the opinion of advertisers and agency executives, much of that change should take place at the media company.

In the *Ad Age/Business Marketing* survey, 56.4% of agencies and 46.5% of advertiser respondents say they don't believe media sales reps typically have the authority to negotiate multimedia placements.

Some on the media side challenge the notion they're unable to handle integrated deals, charging that internal power struggles at advertisers complicate the sale.

Some marketers, such as Dow Plastics, have centralized marketing communications decision-making by business unit or market segment.

At Dow, the communications specialist in charge of a segment such as consumer electronics develops and executes a communications strategy that supports the segment's overall marketing strategy. The Dow specialists control their own budgets and work closely with multiple agencies to select, buy and evaluate media for their market segments.

The result is consistent, coordinated marketing communications across advertising, trade shows, public relations and all the other communications vehicles, says Mike Butcher, director of communications.

AT&T Microelectronics put a similar organizational structure in place last year.

"I think companies are [reorganizing] a lot," Mr. Neavill says. "They recognize the synergies of this, and that it makes good business sense."

However, not all companies are prepared to handle integrated marketing, Mr. Reilly admits.

"Some companies are simply not organized to do it. You simply can't do it if your organization doesn't permit it. If the budgets are dispersed, it's going to be very tough to

integrate," he says.

Some publishers are responding to advertisers' corporate restructuring by creating new integrated marketing sales programs.

International Data Group in September deployed a special sales force to consult with advertisers about integrated-marketing options. The national account reps provide an overview of IDG's services and act as part of a selling team composed of corporate and individual publication sales reps, says Erica Baccus, VP of IDG's Marketing Services division.

"We'll be talking to senior-level marketing people on the client side. They're the ones who are really looking to maximize their marketing budgets and they're looking for other avenues to market their products," she says.

Media sellers' ability to communicate their offerings and advertisers' readiness to embrace them may prove to be the business marketing litmus test of the '90s.

On both sides, "they'll either learn fast or their competitors will eat their lunch," Mr. Bryan says. "The game has changed. If you're on top, you win." □

One step beyond

Integrated marketing—a.k.a. fusion marketing, contact management, one-voice marketing, seamless communications—has almost as many definitions as it has names.

Marketers, ad agencies and media vendors each tend to have their own idea of what it means.

Agencies define integrated marketing as the ability to provide communications services beyond print advertising, such as sales collateral or direct-mail campaigns.

Business press publishers, in turn, think of it as new-age merchandising or perhaps as combination rates on print ads in various titles.

For the marketer, though, integrated marketing involves much more than print. Advertising, PR, direct mail, research, telemarketing, trade shows, sales promotion and training—in fact, all the marketing communications activities—play a role.

James Reilly, general manager of marketing services and communications with IBM Corp., offers a working definition from the marketer's point of view: Integrated marketing allows marketers to present a consistent look and feel to a specific target audience.

"It's basically the orchestration of the various communication skills or activities that are available to you, all designed to effectively deliver your message to some defined audience," Mr. Reilly believes.

And it's a trend on which marketers will build throughout the decade.

"As you look out into the 1990s, the new issue will be to raise the effectiveness, raise the threshold of impact, of all of the communications activities," he says.

To do that, agencies, media companies and advertisers first must come to terms with their terms.

--Kate Bertrand

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Business-to-Business Media Buying and Planning
October 28th Advertising Age
November '91 Business Marketing

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Show-and-sell

Trade events losing focus—to move product

By Debra Aho

Steve Bjorkman

It's time for marketers to take trade shows more seriously.

Too often companies look at trade shows as training grounds for junior salespeople, junkets for top performers or a chance to check out competitors and "fly the company flag."

"Those are ancillary reasons to be at a trade show," says Darel Hamilton, communications director of the Trade Show Bureau. The primary reason is to move product, he says.

Mr. Hamilton says few companies look at their trade-show activities as an integrated part of their marketing efforts, explaining why trade activities are being cut in tight economic times.

"Those increasing their trade-show activities, unfortunately, are anomalies," he says.

According to a Beta Research Corp. survey commissioned by *Advertising Age* and *Business Marketing*, 56.4% of marketers surveyed say trade shows will receive the same or a smaller percentage of their total business-to-business marketing budget in 1991.

Trade-show activities also are down because marketers haven't put in the mechanisms to evaluate effectiveness.

"They are [spending] a chunk of money that is very directed to a single activity. If that activity is not measured and documented in terms of results, they're hesitant to continue with it," says Peggy Nordeen, president of Starmark, Chicago.

"Too many companies define a great show as a stack of 500 business cards; 500 cards are not a lead. If you get 500 cards, you're in trouble," Mr. Hamilton says. He attributes a 33% turnover of first-time trade-show exhibitors to lack of planning, marketing and evaluation.

Marketers should promote their participation in

Riding the recession

If your marketing budget suddenly increased by 10%, where would you put the additional funds?

"I think we would look to do more advertising of our new lines of business in defense high technology, systems integration and environmental services fields.

B. Reinike

"I also think we would try and focus on the select media that [address] that line of business, such as trade publications, rather than general consumer publications.

"If it is an electronics need, we'd put those ads into electronics trade magazines rather than those that speak in general to the interests of [targeted prospects]."

—Barbara Reinike, manager-advertising and special programs, Lockheed Corp.

Interviewed by Sandra Pesmen.

No rebound

(Continued from Page B-3)

information, "people are trying to get away with [using] last year's brochure," Mr. O'Daly says.

"There's almost a complete lack of spending in image or brand awareness [advertising]," he says. "Whatever dollars are spent, it's in actual product sales."

Because business-to-business advertisers "have a tougher problem showing the direct relationship of advertising to sales, they don't feel much of a problem cutting advertising," observes Steve Trygg, chairman-chief creative officer at Anderson & Lembke, New York.

"Clients still have a hard time justifying media advertising to top management. It's much easier to justify what could be considered direct-sales efforts."

"A lot of companies . . . have to look at the long-term effect," says Robin Donovan, VP-media director at Mason & Madison, New Haven, Conn. "Instead [they] are saying, 'We didn't advertise for a year, and we're not out of business yet, so why do we need to?' "

But that thinking has proved a boon to the few who remain.

"A lot of smart marketers who stay in the game are the only guys who own those pages," Mr. O'Daly says.

Reflecting the lack of image advertising, clients and agencies say the ad spending cuts were most acute in general business magazines, such as *Business Week* and *Industry Week*, as opposed to vertical books serving specific industries. Also feeling the hit were local or regional magazines and newspapers.

But more targeted business publications, like consumer magazines, are facing an intense shakeout.

"I don't think it's the death knell for the publishing business, but I don't think you will have four or five publications serving an industry," Mr. Casteel says.

For those not being cut from schedules, discounting and other forms of rate negotiation are nearly universal. One buyer says certain competitive categories lead to "ridiculously low rates," and that's likely to continue even after the worst of the recession is over.

"I think people have sort of seen the fun of getting a bargain," Ms. Donovan says. "I think they're going to be looking for it with a much more jaded eye than before.

"We're having to be accountable for how a buy is more efficient. If they have double the budget, they're going to want you to give them double the

shows aggressively with direct mail, telemarketing, print advertising and calls from top executives to executives at client and prospect companies, he says.

They should define objectives in terms of sales-lead development and closings for each show; develop more sophisticated sales-lead tracking; compare results with objectives and other shows; and adjust trade-show activities accordingly.

MasterCard International's lead tracking system has allowed the marketer to make recessionary cuts while focusing on the shows it considers most effective, says Maureen Cronin, director-member relations. After each show, MasterCard analyzes attendance, costs and quality of attendees. Then it decides whether to alter its participation or cut the show, she says. MasterCard has cut about 15% of the shows at which it exhibits but has kept its budget level, devoting more money to key shows.

Because MasterCard's sales force is small, Ms. Cronin says, shows maximize salespeople's time and energy.

Mr. Hamilton says trade shows offer an opportunity to cut into the costs of field sales forces, not business media. He touts his group's statistics citing trade-show-generated leads are 70% less expensive to close than cold sales calls.

Despite paring budgets, many marketers still see trade shows as effective marketing components.

More than 42% of those responding to the *Ad Age/Business Marketing* survey say trade shows are the best way to make a sale, behind only direct response and specialized business publications in effectiveness.

"We're allies of the business press," not opponents, Mr. Hamilton says. "[Marketing managers] who integrate their efforts will not have their budgets bloodied."

Apple Computer is planning an integrated marketing campaign around a trade show, using advertising and direct marketing to tell prospective attendees about Apple before the show rather than depending on the trade show to do all the work. It also has set measurable objectives for the shows it attends, analyzed results and developed a communications plan to reach sales leads.

The drive to become more sophisticated comes at a troubling time for trade shows.

Tradeshow Week reports show attendance fell 2.5% in second quarter 1991, compared with the same period in 1990, the biggest drop since 1971. Exhibitor commitments were up only 0.3% in the same period. Darlene Gudea, the newsletter's publisher-editor in chief, predicts no growth until first quarter 1992.

When recovery does occur, attitudes toward trade shows will have changed permanently, Ms. Nordeen says.

"Once companies are used to [justifying marketing expenditures], it takes more than an expanded budget to get them back into trade shows. There will be hesitation to go back with as much verve and vigor as in the past."

Until marketers re-evaluate their objectives at trade shows, Mr. Hamilton says, budgets will continue to be pared when companies look for cuts.

"The majority of exhibitors are still just [business] card collectors," he says. □

bargain," she says.

Magazines are presenting "a lot of incredible offers," says John Keck, VP-director of media and research at The Juhl Agency, South Bend, Ind. "It's too bad it took a recession to get them to be creative" with merchandising support, promotions and other value-added services.

Mr. Courtney says he sees a fundamental change taking place. "I don't know if [rate] negotiation will ever be as severe as it is now, but it'll be part of the process."

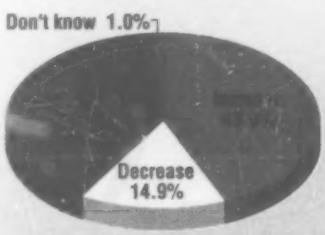
Increased accountability isn't new, of course, but it is becoming far more crucial to business magazines. "They have to be more than a page in a magazine," Mr. O'Daly says. Publishers must become more marketing-oriented, provide research, answer inquiries and offer telemarketing services to clients.

But even if non-media marketing methods gain more prominence, Messrs. Trygg and Keck believe that the reliance on media will be fundamentally unchanged even beyond the recession.

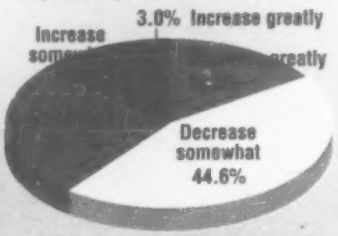
"There are still problems of justifying [media ads]," Mr. Trygg says. "But in their hearts we know management will approve budgets for advertising if the money is there," and he says encouraging signs are evident for 1992. □

Budgetary boosts on hold, and agencies feel the pinch

Asked whether total 1991 business marketing and advertising budgets will increase, decrease or stay the same vs. 1990, a majority of client respondents say their budgets will stay flat or decline.



How has the recession affected your clients' business-to-business media spending (percentage of agency respondents)?



Business media shortchanged, recession not a big factor

What percentage of 1991 marketing and advertising budget will be spent in business-to-business media placements?

% of budget	% of clients
0%-10%	23.8%
11%-20%	19.8%
21%-40%	17.8%
41%-60%	16.8%
61%-80%	11.9%
81%-100%	6.0%
Don't know	2.0%

What percentage of 1991 marketing and advertising budget would have been spent in business-to-business media placements without the recession?

% of budget	% of respondents
0%-10%	17.8%
11%-20%	16.8%
21%-40%	22.7%
41%-60%	13.8%
61%-80%	11.9%
81%-100%	11.9%
Don't know	3.0%

Source: Beta Research Corp.

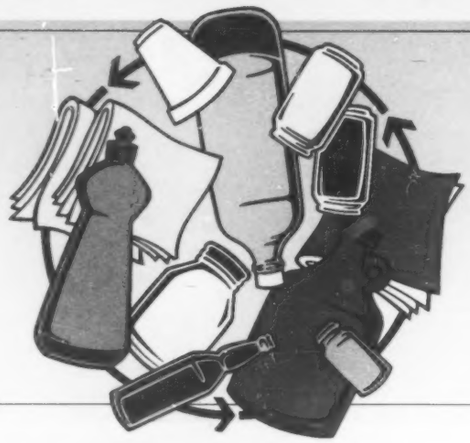
CYNTHIA WATSON

Paying green for green products

Average % price increase consumers would pay for green varieties of products vs. non-green varieties:

Gasoline*	7.4%
Detergents/soaps*	7.3
Biodegradable plastic packaging	6.8
Automobiles*	6.6
Aerosols*	6.6
Recycled plastic packaging	6.1
Plastic packaging with less plastic	6.1
Recycled paper products	6.0

* Indicates product is one-third less polluting than original version
Source: Roper Organization



JOHN SMITHER

True-blue environmentalists hold their wallets

Average % price increase consumers would pay for green varieties of products vs. non-green varieties (composite average of eight products):

Greenback Greens	19.6%
True-Blue Greens	7.4
Total public	6.6
Sprouts	4.8
Grousers	4.4
Basic Browns	3.1

Note: See story below for category descriptions
Source: Roper Organization

■ SETTING THE AGENDA

Consumer doubletalk makes companies wary

'Preferring' to buy green isn't proven by sales

By Scott Hume

Consumers say they want environmentally friendly products and will back up that desire in the grocery aisles, even if that means paying more.

But can manufacturers afford to believe them?

That remains one of the major questions yet to be answered in the green-marketing revolution.

The first phase of that revolution is complete: Consumers have been educated to better understand the environmental problems posed by some products and packaging.

The second phase—convincing consumers to change their attitudes toward products depending on their environmental friendliness—appears near completion.

But will consumers in fact do what they say they will: seek and purchase green products?

That third phase is just beginning, and many marketers are entering it more with uncertainty than confidence.

"Like everyone else, we're looking for the right answers to consumers' environmental concerns. No one's really sure which way to jump, but we know we have to move forward. Consumers want us to," says Charles Rath, exec VP-marketing at Wendy's International.

The No. 4 hamburger chain has moved to recycled paper napkins, bags instead of boxes for children's meals and collection and recycling of corrugated products.

"It's an investment, sure, but you can't look at it in terms of return on investment. You have to do it because we all need to be better citizens," Mr. Rath says. "It's a basic social responsibility."

For Wendy's and scores of other companies making changes intended to help the environment, the belief that environmental responsibility is now a corporate function is based on a growing body of research that overwhelmingly shows consumers want those changes and will repay marketers' investments by accepting higher prices.

"American Consumers: From Brown to Green," a study conducted last year by Roper Organization for S.C. Johnson & Son, reveals the average consumer would pay 6.6% more for a green version of a product *(see related story at right)*.

Although the study indicates a limited amount of environmental activity by consumers, it shows they believe strongly that manufacturers should make pro-environment changes.

For example, 46% of those polled say they regularly recycle bottles and cans, 26% recycle newspapers, 14% regularly buy products made from or packaged in recycled material and 16% say they avoid buying products from companies they consider not environmentally responsible.

However, nearly 75% of the consumers polled say they believe business must be forced by government to develop environmentally safe products.

Other research studies paint a picture of a consuming public that at least has good intentions, if not actions.

"We're in a double-dip recession, and consumers are not willing to pay more even if they tell pollsters they are."

In *Reader's Digest's* "1991 Environmental Study," based on questionnaires completed by 831 readers, 98% say they're personally willing to change their behavior and buying habits in order to ensure a cleaner world.

Asked if they're willing to pay more, 85% of the sample say they'd accept cost increases for less-polluting detergents and soaps; 82% would pay more for biodegradable plastic packaging; 79% would pay extra for gasoline that's one-third less polluting to the air; 78% would pay more for aerosol products producing one-third less air pollution.

"Environment USA '91," a survey jointly conducted by Golin/Harris Communications and Angus Reid Group, produced similar results. Of the 2,000 U.S. adults polled by telephone, 74% say they consider environmental protection a priority, even if it means slower economic growth.

Majorities of these respondents also claim a willingness to pay more for environmentally friendly products: 59% say they would pay 25¢ more per gallon of gas to cut air pollution; 55% would pay 50% more for garbage collection to pay for safe long-term disposal; 76% say they'd pay 10% more for an "environmentally 'green' grocery product."

In fact, most consumers believe they *will* have to pay more for green products.

According to a telephone survey of 300 adults conducted in May by the research department of Leo Burnett USA, Chicago, 28.6% say they're "willing to make drastic changes in my lifestyle to help the environment," and 67.1% agreed that "environmentally friendly products are often expensive."

That perception remains the major stumbling block for the environmental movement, says Gerald Celente, director of the Socio-Economic Research Institute of America and author of *Trend Tracking*.

"I hold no stock in polls that claim people are willing to spend more," Mr. Celente says. "People say what they think they are expected to say, but not what they can afford to do.

"The green movement is stalling. Consumers are simply not responding to it because economic interests outweigh environmental interests. We're in a double-dip recession, and consumers are not willing to pay more even if they tell pollsters they are," he says.

"Has the disposable diaper market taken a pounding? No. Show us one mass-market product that consumers have shown they'll pay more for [because it protects the environment] and we'll change our opinions," Mr. Celente says. "But we don't see it."

At least one manufacturer of a "green" product agrees.

Magic American Corp. last year introduced EarthRite, a six-item line of non-polluting, non-toxic and biodegradable cleaning products. VP Scott Zeilinger says the company acted on that part of the research that shows consumer interest, but not consumers' supposed willingness to pay more.

"We believe the consumer wants to do the right thing, however, without sacrifice to their pocketbooks and product performance," he says. "That's why we made sure EarthRite was priced competitively. They're not gourmet, ecological catalog items.

"With the launch of any new product, if you want to win the hearts of consumers, you have to make it easy for them. You have to take away any objections, and higher cost is still an objection with most consumers," Mr. Zeilinger says.

"Launching EarthRite, we relied on a belief in human nature, not in the Roper poll." □

What separates true blues from basic browns

Like most things, there's no black & white definition of the green consumer.

"American Consumers: From Brown to Green," a study conducted last year by Roper Organization for household products marketer S.C. Johnson & Son, indicates viewing consumers simply as being green or not green is out of the question.

Based on in-person interviews with 1,413 adults, the survey divides U.S. consumers into five distinct shades of environmental commitment and buying behavior:

■ **"True-Blue Greens"** account for 11% of the population. They are the most affluent and the most involved in pro-environment practices. They're willing to pay an average of 7.4% more for the eight green products (recycled paper products, less-polluting gasoline, etc.) featured in the poll.

■ **"Greenback Greens"** also constitute 11% of the population. They are the youngest group and the biggest environmental spenders, saying they'd be willing to pay 19.6% more for environmentally friendly products.

■ **"Sprouts,"** a swing group, account for 26% of the population and display both pro and con attitudes about the environment. On average, they say they'd be willing to pay 4.8% more.

■ **"Grousers"** make up 24% of the whole. They aren't very involved in environmental activities, mainly because they say others aren't either. They'd be willing to pay 4.4% more.

■ **"Basic Browns"** are the final 28% of the population. As the category title indicates, they don't believe individuals can make a difference in improving the environment, and they aren't interested in making an effort. Still, they say they'd spend 3.1% more, roughly the rate of inflation, for green products.

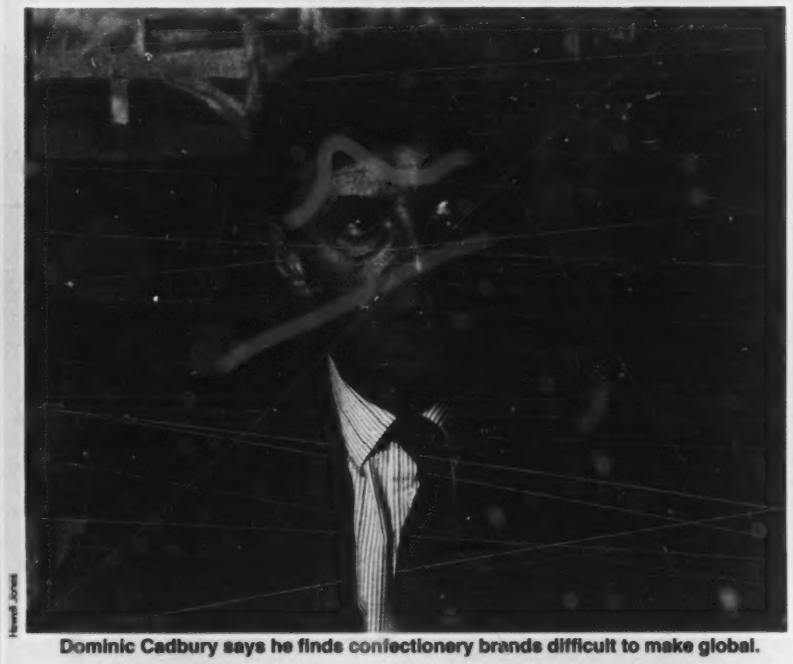
—Scott Hume

GLOBAL MEDIA & MARKETING

ALSO IN THIS REPORT

Publications: Where circulation for multinationals rose, fell. **Page S-2.**

Success: While many publications stumble, a few, including *Cosmopolitan* in Spain, prosper. **Page S-16.**



Howell Jones

Dominic Cadbury says he finds confectionery brands difficult to make global.

Global potential sweet to Cadbury

Cadbury Schweppes is aiming to expand market share globally in both beverages and confections through joint ventures and acquisitions. The effort is being led by Group Chief Executive Dominic Cadbury, 51, who spoke to European Editor Laurel Wentz about the $5.3 billion marketer's plans.

Advertising Age: *Where do you see Cadbury Schweppes heading in the next few years?*

Mr. Cadbury: We continue to grow in our chosen fields of confectionery and refreshment beverages. I don't see the company moving outside those product areas because that's where our heritage is and that's where we've put up a good performance in recent years.

ONE ON ONE

AA: *Your soft-drink businesses—Schweppes, Canada Dry, Crush—are international, but your chocolate brands are more local. Will that change?*

Mr. Cadbury: Branded confectionery has been with us since the '30s. It's more difficult to change the composition of [that] market because people have grown up with these brands. There are markets where I think it would be very difficult for Cadbury to penetrate as an international brand.

AA: *You don't see yourselves taking on Mars and Hershey in the U.S.?*

Mr. Cadbury: We bought a considerable business in the States, but in the end judged that our best route was to franchise our business to Hershey. That delivered a lot more value than we were able to see looking ahead in an all-out contest with Hershey and Mars.

AA: *You launched colas recently in Spain and Australia. Do you plan to enter the cola wars against Coke and Pepsi?*

Mr. Cadbury: We only launched a cola where we don't have access to one, either Coke or Pepsi, to fill out our range. It's never going to be a major activity, and we have no intention of trying to become a player in the cola wars.

AA: *How are you becoming a more global beverage marketer?*

Mr. Cadbury: What we've done in refreshment beverages is to expand our range and broaden it from the pretty

(Continued on Page S-11)

Top ad spenders: Unilever, P&G

By Julie Skur Hill

For the fourth consecutive year, Unilever, Procter & Gamble Co. and Nestle have retained their rankings as the world's top three advertisers outside the U.S.

Unilever, doling out $1.4 billion throughout 25 countries in 1990, leads the fifth annual *Advertising Age* survey of leading ad spenders outside the U.S. *(See charts starting on Page S-6.)*

In comparing spending to 1989 in countries where *Ad Age* obtained data for both 1990 and 1989, the Anglo-Dutch conglomerate increased its outlay 16.8% from the previous year to nip archrival P&G, which boosted its ad expenditures 14.6%.

P&G spent $1.1 billion in 20 countries outside the U.S., breaking the $1 billion barrier for the first time.

Nestle, the Vevey, Switzerland-based food giant, spent $603.5 million in 21 nations.

When U.S. spending was included, Cincinnati-based P&G emerged as the leading advertiser worldwide, investing a whopping $3.4 billion.

Philip Morris Cos., New York, followed, spending $2.7 billion worldwide. Outside its home country, Philip Morris spent $511.2 million in advertising in 17 countries, placing fifth.

PSA Peugeot-Citroen, Paris, tallying $597.1 million in 11 countries, supplanted fellow French auto marketer Renault, Paris, as the No. 4 advertiser outside the U.S. Renault fell to No. 7, at $442 million in nine countries.

When U.S. spending is included, P&G becomes the top global advertiser.

Auto marketers dominate the rest of the Top 10.

Toyota Motor Corp., Toyota City, Japan, ranked sixth, spending $458.5 million in 10 countries; Fiat, Turin, Italy, tallied $440.9 million in seven countries for eighth place, and General Motors Corp., Detroit, spent $409 million, putting it 10th.

Canon, Tokyo, representing the only marketer ranked between No. 6 through No. 10

(Continued on Page S-10)

Reversal of 'Fortune'

Focus changes from local to int'l edition

By Laurel Wentz

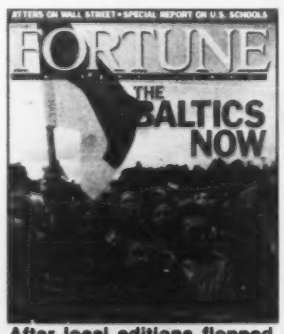
LONDON—Time Warner has abandoned its European strategy of launching local-language editions of *Fortune* and instead will focus on aggressively promoting *Fortune International*.

When the U.S. publisher decided to negotiate *Fortune* joint ventures in all the major European markets to exploit the 1992 economic unification of Europe, the company had no idea the concept would flop before the end of 1991.

"The execution of the strategy was flawed, but I don't think that means the strategy is flawed," said James B. Hayes, New York-based publisher of *Fortune*. "We'll do better next time. We have not walked away from it, battered and beaten though we are."

European business publishing experts say the two main problems were clashes with local joint-venture partners or potential partners and the difficulty of competing for circulation and ad revenue against firmly entrenched local business magazines, especially during an economic recession.

Only two of the monthly European editions got off the ground—*Fortune France*, a joint venture with Hachette, and *Fortune Italia*, in partnership with Arnoldo Mondadori Editore. Both closed after two years. In Germany, negotiations with three publishers failed to produce a partner. A deal to do *Fortune* in Spain with Hachette fell apart, and the edition was never launched.



After local editions flopped, *Fortune International* is the magazine's focal point.

Mr. Hayes said he has a clear idea of why *Fortune France* and *Fortune Italia* failed.

Fortune's French partner wanted to publish a lifestyle magazine, not a management tool, he said.

"We did not want to

(Continued on Page S-16)

Advertising Age's 1991 global media lineup

Title / Publisher / Headquarters	Paid circulation: Worldwide 1990	% chg	North America 1990	% chg	By foreign region: Region	1990	% chg	Ad page costs 1990 b&w/4-color	% chg	1991 b&w/4-color	Global cpm 1990	% chg	Top worldwide in 1990
Dailies													
Financial Times of London Financial Times Ltd. London	290,368	0.0	23,770	1.2	Europe: Middle East/Africa: Asia/Pacific: Latin America:	256,154 3,354 6,407 682	(1.1) (2.2) 64.6 (3.4)	$45,696 $57,400	22.9	NA NA	$157.37	9.7	British Airways British Gas Toshiba Daimler-Benz Renault
International Herald Tribune New York Times & Washington Post Neuilly, France	195,688	3.1	5,834	10.0	Europe: Middle East/Africa: Asia/Pacific: Latin America:	140,369 6,865 39,547 3,073	2.8 2.4 3.2 5.7	44,958 65,126	8.9	48,616 70,493	229.74	5.5	AT&T MCI American Airlines IBM Siemens Nixdorf
USA Today Gannett Co. Arlington, Va.	1,901,538	0.7	1,841,538	0.7	Europe: Asia/Pacific:	46,000[1] 14,000[1]	2.2 0.0	63,255 82,233	10.5	63,255 82,233	33.27	9.6	AT&T General Motors Corp. MCI Sheraton Hotels Apple Computer
The Wall Street Journal Dow Jones Co. New York	2,002,169	(1.0)	1,913,443	(11.6)	Europe: Asia/Pacific:	51,608 37,118	7.9 (3.2)	131,655 NA	7.0	NA NA	65.76	3.9	AT&T IBM Dreyfus Corp. Fidelity Mgt. & Research Hewlett-Packard Co.
Weeklies													
Business Week McGraw-Hill New York	1,009,226[2]	(1.2)	896,803	(1.6)	Europe: Asia/Pacific: Latin America:	59,592 33,211 19,620	4.8 1.9 (7.4)	48,985 74,460	7.5	49,340 74,680	48.54	9.6	General Motors AT&T Digital Equipment Fujitsu Ltd. Compaq Computer
The Economist The Economist Newspaper London	475,535	11.8	213,109	17.4	Europe: Middle East/Africa: Asia/Pacific: Latin America:	189,704 14,756 50,468 7,498	7.1 (2.7) 14.0 3.3	11,400 35,500	15.6	12,880 40,115	23.97	3.4	Singapore Airlines Bank of America RTZ Boeing Co. AIG
The Guardian Weekly Guardian Publications Manchester, England	76,849	6.1	27,729	2.5	Europe: Middle East/Africa: Asia/Pacific: Latin America: Caribbean:	16,821 4,044 19,273 1,388 7,594	1.4 (0.7) 18.3 0.4 7.4	3,045[3] NA	16.7	3,045[3] NA	39.62	(13.5)	Barclays Bank Jardine Fleming Britannia Build. Soc. Abbey National Standard Chartered Bank
Newsweek Newsweek Ltd. New York	4,177,445	5.9	3,420,167	6.0	Atlantic: Asia: Latin America: Australia:	353,725 234,589 66,191 102,773	7.7 9.3 8.1 (8.2)	111,615 179,120	9.6	NA NA	26.72	3.5	Rothmans International Singapore Airlines Rolex Thai International Philip Morris Cos.
Paris Match International Publications Filippachi Paris	244,314	1.4	37,192	(6.4)	Europe: Middle East/Africa: Asia/Pacific: Latin America: Other:[4]	143,441 33,915 2,155 2,611 25,000	4.5 (1.8) 17.0 19.8 3.1	10,200 16,000	(4.1)	10,900 17,100	41.75	(5.4)	Philip Morris Cos. Benson & Hedges Renault Peugeot Citroen
Time Time Warner New York	5,756,618	3.1	4,603,076	1.5	Europe/Middle East/Africa: Asia/Pacific: Latin America:	613,403 450,071 90,068	15.8 5.2 (0.3)	163,774 246,254	12.3	173,600 261,025	28.45	8.8	Rothmans Group Kingdom of Spain Govt. of Singapore Toyota Philip Morris Cos.
Monthlies													
Cosmopolitan Hearst Corp. New York	5,880,471	3.2	2,679,000	(2.4)	Europe: Middle East/Africa: Asia/Pacific: Latin America:	1,823,481 108,622 650,979 618,389	4.2 (9.5) 13.2 21.3	NA NA	NA	NA[5] NA[5]	NA	NA	Revlon Nestle S.A. Procter & Gamble Co. Unilever Philip Morris Cos.
National Geographic National Geographic Society Washington	9,918,479	(2.6)	6,510,155	(3.1)	Europe: Middle East/Africa: Pacific: Latin America: Military Overseas:	801,242 64,995 393,783 99,618 48,686	1.6 (8.9) (2.2) 4.0 15.9	136,725 180,480	0.0	142,194 187,699	13.78	9.2	Canon Mazda NEC State of Illinois NA
Reader's Digest Reader's Digest Association Pleasantville, N.Y.	28,204,598	(0.2)	17,968,009	(1.3)	Europe: Middle East/Africa: Asia/Pacific: Latin America:	7,010,509 350,331 1,725,195 1,150,554	3.3 (3.5) (0.8) (2.2)	303,785 403,495	14.6	NA NA	10.80	14.0	Unilever NV Philips Kraft General Foods Franklin Mint Mazda
Scientific American Scientific American New York	638,129	20.0	527,068	2.6	Europe: Middle East/Africa: Asia/Pacific: Latin America: Military Overseas:	75,103 3,924 23,923 5,888 2,223	(0.8) (6.1) 0.2 1.0 (3.8)	21,800 32,700	0.0	22,850 34,250	34.16	4.8	Hughes Aircraft Textron Lycoming NEC Ameritech Italtel
WorldPaper [6] World Times Boston	901,100	(1.3)	58,000	NA	Europe: Middle East/Africa: Asia/Pacific: Latin America: E. Europe/Soviet Union:	10,000 10,000 271,800 286,300 265,000	0.0 0.0 4.2 (20.3) (1.8)	35,865 NA	(6.2)	NA NA	39.80	(4.6)	AT&T Delta Air Lines Visa International Gold Star Ltd. Sheaffer
Other													
Fortune Time Warner New York	802,848	1.1	681,850	0.7	Outside North America:	120,998	3.1	38,550 58,980	8.0	NA NA	48.02	6.9	American Intl. Group Bank of America Astra Business Jets Gulfstream American Samsung
World Link [7] World Link Publications part of World Economic Forum Geneva, Switzerland	44,282	16.1	18,043	65.2	Europe: Middle East/Africa: Asia/Pacific: Latin America:	15,988 2,100 6,413 1,738	(5.0) 3.3 (2.5) (1.3)	9,300 12,000	0.0	9,300 12,000	210.00	(13.9)	Audi Swissair Du Pont Asea Brown Boveri Montres Breguet

Notes: 1. Second half '91 projection. 2. Not included in *Business Week International* world total are the following foreign-language editions, published locally as a joint venture: BW/China:53,000; BW/USSR:50,000; BW/Hungary: 8,000. 3. Full page b&w figure of pounds sterling 1,750 converted to dollars using the October 1991 rate of 1.74. B&w rate for 1991 and 1990 are the same in pounds sterling, but the dollar figure varies due to exchange fluctuations. 4. Other circulation includes data for French-speaking territories and airlines. 5. No figures available for b&w and color pages since rates are given on a case-by-case basis for 24 different editions. 6. Distributed as a newspaper supplement. 7. Published bi-monthly. See "How to read these rankings," Page S-13.

AA chart: Ilse Cermak

Unilever builds advertising lead outside U.S.

Rank	Advertiser	Headquarters	Primary business	Countries in which spending was reported for 1990	Non-U.S. spending 1990	'90-'89 % chg	U.S. spending 1990	W'wide spending 1990	Non-U.S. as % of w'wide
1	**Unilever NV**	Rotterdam/London	Food	Argentina, Australia, Austria, Brazil, Britain, Canada, Chile, Denmark, Finland, France, Germany, Greece, India, Italy, Japan, Malaysia, Mexico, Netherlands, Pan Arabia, Puerto Rico, South Africa, Spain, Switzerland, Taiwan, Turkey	$1,364.7	16.2	$568.9	$1,933.9	70.6
2	**Procter & Gamble Co.**	Cincinnati	Personal care	Austria, Britain, Canada, Chile, Denmark, France, Germany, Greece, India, Italy, Japan, Lebanon, Mexico, Netherlands, Pan Arabia, Philippines, Puerto Rico, Spain, Taiwan, Thailand	1,135.6	14.6	2,284.5	3,420.1	33.2
3	**Nestle SA**	Vevey, Switzerland	Food	Argentina, Austria, Brazil, Britain, Canada, Chile, France, Germany, Greece, India, Italy, Japan, Malaysia, Netherlands, Pan Arabia, Philippines, Puerto Rico, Spain, Switzerland, Taiwan, Thailand	603.5	7.3	635.9	1,239.4	48.7
4	**PSA Peugeot-Citroen SA**	Paris	Automotive	Argentina, Britain, France, Germany, Italy, Netherlands, Norway, Pan Arabia, Spain, Switzerland	597.1	20.2	9.1 *	606.3	98.5
5	**Philip Morris Cos.**	New York	Food	Argentina, Austria, Britain, Canada, Denmark, France, Germany, Hong Kong, Indonesia, Italy, Japan, Lebanon, Malaysia, Netherlands, Pan Arabia, Spain, Taiwan	511.2	5.9	2,210.2	2,721.4	18.8
6	**Toyota Motor Corp.**	Toyota City, Japan	Automotive	Australia, Britain, Canada, Germany, Indonesia, Japan, Norway, Pan Arabia, Switzerland, Thailand	458.5	28.6	580.7	1,039.2	44.1
7	**Renault SA**	Paris	Automotive	Austria, Britain, France, Germany, Italy, Netherlands, Pan Arabia, Spain, Turkey	442.0	4.8	0.0	442.0	100.0
8	**Fiat SpA**	Turin, Italy	Automotive	Britain, France, Germany, Italy, Netherlands, Spain, Switzerland	440.9	14.4	0.7 *	441.6	99.8
9	**Canon Inc.**	Tokyo	Electronics	Canada, France, Germany, Japan, Netherlands	411.0	55.2	119.5	530.5	77.5
10	**General Motors Corp.**	Detroit	Automotive	Austria, Britain, Canada, Finland, France, Germany, Italy, Netherlands, Norway, Pan Arabia, Spain, Switzerland	409.0	23.5	1,502.8	1,911.8	21.4
11	**Matsushita Electric Industrial Co.**	Osaka, Japan	Electronics	Britain, Canada, Germany, Hong Kong, Japan, Malaysia, Pan Arabia, Taiwan	398.8	3.2	330.2	729.0	54.7
12	**Ford Motor Co.**	Dearborn, Mich.	Automotive	Australia, Austria, Britain, Canada, Finland, France, Germany, Italy, Netherlands, Norway, Pan Arabia, Spain, Sweden, Switzerland, Taiwan	387.1	17.6	616.0	1,003.1	38.6
13	**Henkel Group**	Duesseldorf	Soaps	Austria, France, Germany, Italy, Netherlands, Spain	378.1	49.9	0.3 *	378.3	99.9
14	**Hitachi Ltd.**	Tokyo	Electronics	Japan, Pan Arabia	368.5	24.4	20.7 *	389.3	94.7
15	**Mars Inc.**	McLean, Va.	Food	Austria, Britain, Canada, France, Germany, Japan, Netherlands, Switzerland	332.5	17.4	272.4	604.9	55.0
16	**Nissan Motor Co.**	Tokyo	Automotive	Australia, Britain, Canada, Germany, Japan, Netherlands, Norway, Pan Arabia, Switzerland, Thailand	330.7	(7.6)	410.2	740.9	44.6
17	**Kao Corp.**	Tokyo	Soaps	Hong Kong, Japan, Taiwan	321.9	(0.5)	24.6 *	346.5	92.9
18	**Volkswagen AG**	Wolfsburg, Germany	Automotive	Canada, France, Germany, Norway, South Africa, Spain, Sweden	319.6	13.6	138.5	458.1	69.8
19	**Philips NV**	Eindhoven, The Netherlands	Electronics	Argentina, Austria, Brazil, Chile, Finland, France, Germany, Greece, Hong Kong, Italy, Japan, Netherlands, Pan Arabia, Spain, Sweden, Turkey	314.6	32.9	177.7	492.3	63.9
20	**Ferrero SpA**	Perugia, Italy	Food	Germany, Italy	291.6	30.6	6.8 *	298.4	97.7
21	**Coca-Cola Co.**	Atlanta	Food	Argentina, Austria, Britain, Canada, Chile, Germany, Israel, Italy, Japan, Lebanon, Mexico, Netherlands, Philippines, Puerto Rico, Spain, Thailand, Turkey	287.0	9.4	377.2	664.2	43.2
22	**Suntory**	Tokyo	Beer, spirits	Japan	283.3	(9.1)	5.8 *	289.0	98.0
23	**Toshiba Corp.**	Tokyo	Electronics	Germany, Hong Kong, Japan, Pan Arabia	274.0	(0.6)	18.7 *	292.7	93.6
24	**NEC Corp.**	Tokyo	Electronics	Germany, Japan, Malaysia, Netherlands	269.0	0.5	24.9 *	293.9	91.5
25	**Mitsubishi Motor Corp.**	Tokyo	Automotive	Australia, Japan, Norway, Pan Arabia	268.1	(3.2)	67.9 *	336.0	79.8
26	**Sony Corp.**	Tokyo	Electronics	Canada, Germany, Japan, Netherlands, Pan Arabia, Spain, Thailand	262.5	(2.3)	410.5	673.0	39.0
27	**Nippon Telephone & Telegraph**	Tokyo	Utilities	Japan	252.2	9.3	0.3 *	252.5	99.9
28	**Honda Motor Co.**	Tokyo	Automotive	Britain, Canada, Germany, Japan, Netherlands, Pan Arabia	250.1	(14.4)	318.0	568.1	44.0
29	**Mazda Motor Corp.**	Hiroshima, Japan	Automotive	Austria, Canada, Germany, Japan, Norway, Pan Arabia, Switzerland	244.2	(28.8)	247.9	492.1	49.6
30	**Kellogg Co.**	Battle Creek, Mich.	Food	Australia, Britain, Canada, Denmark, France, Germany, Japan, Mexico, Pan Arabia, Puerto Rico	226.9	7.0	577.7	804.6	28.2
31	**Sharp Corp.**	Osaka, Japan	Electronics	Hong Kong, Japan, Pan Arabia	226.7	4.1	23.5 *	250.2	90.6
32	**Colgate-Palmolive Co.**	New York	Personal care	Denmark, France, Germany, Greece, India, Italy, Malaysia, Mexico, Netherlands, Philippines, Puerto Rico, South Africa, Thailand	218.0	(5.3)	265.0	483.0	45.1
33	**Asahi Breweries**	Tokyo	Beer, spirits	Japan	202.3	(11.9)	0.2 *	202.6	99.9
34	**Shiseido Co.**	Tokyo	Cosmetics	Japan	196.7	1.6	0.2 *	197.0	99.9
35	**Fuji Photo Film**	Tokyo	Photography	Germany, Japan, Singapore, Thailand	195.1	5.3	10.9 *	206.0	94.7
36	**Takashimaya**	Osaka, Japan	Retail	Japan	191.1	12.5	0.0 *	191.1	100.0
37	**Kirin Brewery Co.**	Tokyo	Beer, spirits	Japan	190.8	(3.7)	0.0 *	190.8	100.0
38	**McDonald's Corp.**	Oak Brook, Ill.	Food	Australia, Britain, Canada, France, Germany, Hong Kong, Japan, Netherlands, New Zealand, Puerto Rico, Singapore	183.8	8.7	764.1	947.9	19.4
39	**Mitsukoshi**	Tokyo	Retail	Japan	179.9	6.7	0.0 *	179.9	100.0
40	**Ajinomoto Co.**	Tokyo	Food	Japan	171.9	(12.5)	0.1 *	171.9	100.0
41	**Fujitsu Ltd.**	Tokyo	Computers	Japan	163.0	(2.7)	7.8 *	170.7	95.5
42	**Sapporo Breweries**	Tokyo	Beer, spirits	Japan	159.6	(16.6)	0.0 *	159.6	100.0
43	**Daiei**	Kobe, Japan	Retail	Japan	157.5	(17.3)	0.0*	157.5	100.0
44	**Barilla SpA**	Parma, Italy	Food	Italy	151.9	34.4	0.0 *	151.9	100.0
45	**Lion Corp.**	Tokyo	Soaps	Japan	150.4	(8.9)	0.0 *	150.4	100.0
46	**Matsushita Denko**	Osaka, Japan	Electronics	Japan	143.3	4.9	0.0 *	143.3	100.0
47	**C&A Brenninkmeyer**	Amsterdam	Retail	Austria, Germany, Netherlands	139.9	16.0	0.0 *	139.9	100.0
48	**Gervais Danone**	Levallois-Perret, France	Food	France, Germany, Italy, Spain	139.1	9.5	17.3 *	156.3	89.0
49	**German Post Office**	Bonn	Postal services	Germany	134.5	49.8	0.0 *	134.5	100.0
50	**Daimler-Benz AG**	Stuttgart, Germany	Automotive	Britain, France, Germany, Japan, Jordan, Netherlands, Pan Arabia	130.6	17.3	124.6	255.2	51.2

Notes and sources: Advertising expenditures are in millions of U.S. dollars for yearend 1990. In many countries, ad spending figures are estimates and/or gross figures. * indicates that U.S. spending figures include measured media only as reported by LNA/Arbitron Multi-Media reports. All other U.S. spending figures include estimated unmeasured expenditures from AA's 100 Leading National Advertisers, Sept. 25, 1991. Non-U.S. ad spending includes only countries in the column headed "Countries in which spending was reported." Rankings of the top 10 advertisers in 43 countries begin on Page S-12. Pan Arabia includes Saudi Arabia, United Arab Emirates, Kuwait, Bahrain, Qatar and Oman. For more information, see "How to read these rankings," Page S-13.

AA chart: Kevin Brown and Ilse Cermak

Smart buy: Global weeklies

Healthy circulation—and ad rate—gains found with medium

By R. Craig Endicott

Advertisers with a bit more to spend on their print budgets in global media through mid-1991 found weeklies their most efficient buy.

As a group, the six international weeklies advanced only 1.1% in average costs per thousand, compared with 7.2% by dailies and 5.8% by monthlies. The weeklies also showed healthy circulation gains of an aggregate 4% while dailies remained flat and monthlies slipped 0.1%, according to *Advertising Age's* seventh annual Global Media & Marketing survey.

But weeklies did push up their ad rates an average 9.6% for a b&w page, substantially more than the average increase of 2.1% for monthlies, but less than the 12.3% hike for dailies.

Monthlies suited those seeking stable ad rates and low CPMs. Two monthlies, *National Geographic* and *Scientific American*, didn't raise rates, and *World-Paper* undercut its 1990 rate by 6.2% in 1991, according to the study, which included 17 global publications. *(See "How to read these rankings" on Page S-13 for selection criteria that determined a "global" publication.)*

But monthlies tend to have higher ad rates, particularly sector leviathan *Reader's Digest*, which charges $303,785 for a b&w page—nearly double the price of a b&w ad in *Time*, the second most costly publication. But *Reader's Digest's* CPM is $10.80, lowest on the chart. That compares with the *International Herald Tribune's* $229.74 CPM, the survey's highest.

Worldwide circulation among the 17 got a big boost from expansion in Europe, particularly Western Europe. European circulation grew 3.5% and Asia-Pacific advanced 2.7%, as Latin America dipped 0.6% and North America fell 1%, the latter accounting for nearly 70% of total circulation.

Circulation losses in North America were attributed largely to monthlies, down 1.7%, and dailies, down 5.9%, the latter solely the result of an 11.6% decline at *The Wall Street Journal*. The *Journal's* circulation rose 7.9% in Europe, where it was outpaced only by *Time's* 15.8%.

Time is in a five-year plan to raise its Atlantic edition (basically Europe) rate base to 750,000 by 1995. Both *Time* and *The Wall Street Journal Europe* have added U.K. printing plants in the past two years.

As in 1990, AT&T Co. was the most frequently mentioned source for ad revenues. Five publications named AT&T when asked to indicate their top five advertisers. Philip Morris Cos. was mentioned four times.

The recession's impact seemed to jockey leading ad categories among the publications: Autos were mentioned eight times in 1991 as a major ad source vs. 11 in 1990; airlines, six vs. 10; financial institutions, seven vs. 11. Computers, telecommunications and tourism picked up the slack. □

Spending

(Continued from Page S-1)

that isn't an auto marketer, spent $411 million, placing the Japanese company ninth.

Though only two Japanese companies rank among the top 10, 27 of the 50 marketers are based in Japan. Last year, 29 Japanese marketers made the top 50.

The majority of the Japanese companies are ranked from No. 22 to No. 46; 21 of those 25 marketers are Japanese.

Only nine U.S. marketers made the list, down from 10 last year. Of the U.S. companies on the ranking, five are food marketers, two are soap marketers and two are auto marketers.

German companies captured four spots, up from three.

Two and a half Dutch companies ranked. Italy and France each tallied three marketers, Switzerland placed one and the U.K. chalked up one-half. The split is the result of Unilever, which claims roots in the U.K. and the Netherlands.

Spending for the top 50 totaled $15.9 billion, up 8.2% from 1989 figures.

Auto marketers topped the list with 12 entries and $4.3 billion in spending.

Food marketers accounted for 11 companies spending a total of $4.3 billion, while electronics marketers logged in nine, investing a total of $2.7 billion.

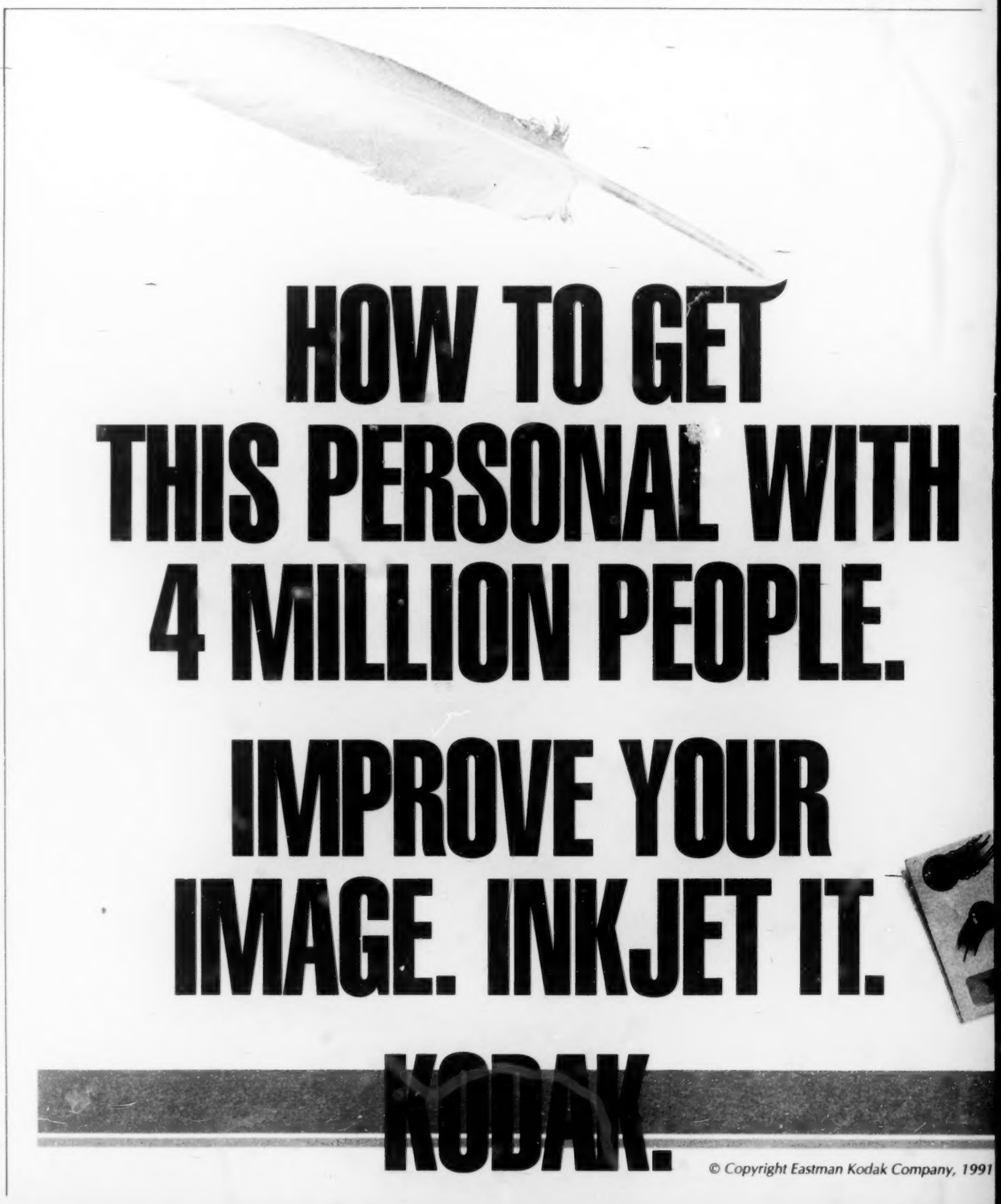
In addition, four breweries, four retailers, three soap marketers and two personal care companies made the list.

A computer marketer, a photographic company, a cosmetics marketer, a post office and a utility round out the ranking.

Newcomers to the list are No. 9 Canon; No. 44 Barilla, Parma, Italy; No. 46 Matsushita Denko, Osaka, Japan; No. 48 Gervais Danone, Lavallois-Perret, France; No. 49 the German Post Office, Bonn; and No. 50 Daimler-Benz, Stuttgart.

Companies that made the list in 1989 but not last year were Tokyo Electric Power, Tokyo; Matsushita Kogyo, Yokohama, Japan; Suzuki Motor Co., Hamamatsu, Japan; Seiyu, Tokyo; PepsiCo, Purchase, N.Y.; and Standa, Rome.

Information for *Ad Age's* ranking of the top 50 spenders in non-U.S. advertising was compiled from data supplied by 43 major advertiser markets by *Ad Age's* international network. Information came from a variety of sources *(see "How to read these rankings" on Page S-13)*. □



Cadbury

(Continued from Page S-1)

tight mixer heritage we'd had. We've done that in two ways, partly through repositioning Schweppes and making it more broad-range. For instance in the U.S., now we've added Schweppes raspberry ginger ale. The other way we've grown is through acquisition. We acquired Canada Dry and Crush without any dilution in earnings.

The levels of consumption in the U.S. are at least twice those in Europe, so we see potential for growing the soft-drink category in Europe. While the colas will take the major share, it still leaves a considerable amount of business for . . . the non-cola categories.

John Cleese combines the right sense of humor and Britishness for Schweppes spots in the U.S. and U.K.

AA: *Why did you move the worldwide beverage headquarters from Stamford, Conn., to London?*

Mr. Cadbury: I wanted to have a single strategic resource and headquarters. We originally went to the States with our beverage headquarters because the beverage part of our business was much smaller than the confectionery side. The U.S. has the most experienced management and the two major competitors are based in the U.S., so we needed to succeed [there]. Now with that knowledge, experience and team we can combine the confectionery and beverage teams and have one facility.

AA: *What about speculation that Cadbury Schweppes could be taken over, perhaps by Philip Morris Cos.?*

Mr. Cadbury: No company is invulnerable if it's a public company. I'm not a believer in the size idea that by being a certain size you make yourself less vulnerable. The only strategy I have for making takeovers difficult is to ensure we perform at a high standard and make ourselves very expensive.

AA: *How much do you spend on advertising worldwide?*

Mr. Cadbury: Our total marketing ratio is around 11% of sales. We're spending around $544 million on marketing and approximately half of that is advertising, so we would have an ad spend of around 5% [of sales] or about $289 million.

AA: *Do you have an agency alignment policy?*

Mr. Cadbury: We don't on confectionery. We have [developed] a single advertising execution for our Canada Dry brand, but we have not standardized or put all our business through a single agency. We have agencies like Foote, Cone & Belding we use pretty extensively on the beverage side, but we don't have a policy at this stage of one agency worldwide.

"We still have a long way to go before we can be satisfied that we are really a broadly based refreshment beverage company."

AA: *Are you moving money from advertising to other promotional spending?*

Mr. Cadbury: Over time, we've spent more on promotions as a percentage of the total budget. On the other hand, we've increased our marketing investment. During the last 12 months, price has obviously been a very significant factor to the consumer. So we have increased our promotional budget.

AA: *What about Eastern Europe?*

Mr. Cadbury: We have for a number of years franchised our beverage brands through Eastern Europe, primarily Schweppes. We've been looking at possible opportunities to take our confectionery business more directly into Eastern Europe.

AA: *Do you see getting involved in celebrity advertising or entertainment marketing like Coca-Cola and Pepsi?*

Mr. Cadbury: We are not doing anything that could really parallel the Coke or Pepsi investments behind personalities. Currently, we have campaigns running in the U.S. and U.K. using John Cleese as a spokesman for Schweppes. I think he combines the right personality, sense of Britishness and sense of humor.

AA: *Do you plan more brand extensions?*

Mr. Cadbury: Management is looking for any opportunity they can to exploit the brand franchise. In our case with the Cadbury brand, the [recent] extensions into ice cream, chocolate milk, chocolate desserts are all very compatible with the Cadbury heritage.

AA: *What are Cadbury Schweppes' biggest problems or weaknesses?*

Mr. Cadbury: We still have a long way to go before we can be satisfied that we are really a broadly based refreshment beverage company. And there are geographical weaknesses.

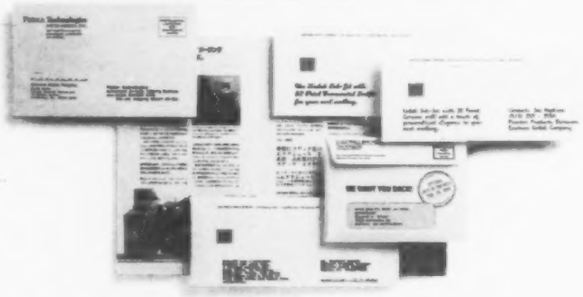
We have a much stronger position in the U.K., France and Spain than we do in Germany, Italy or even the U.S. market. In confectionery, equally we . . . have other positions where we're underrepresented. □

Ink makes it personal. There was a time when the most sincere notes and the most important documents were written and individually signed by hand using quill and ink. Since then, ink has been the long standing and classic means of expressing personal involvement in a message. Time has also proven ink to be a most powerful means of eliciting a personal response.

Now, Kodak combines the potential of advanced technology with the powerful personal touch of ink. Here are only a few examples of how high-quality, Kodak ink-jet technology can bring innovative solutions to personal printing.

If you're interested in improving your image and getting more personal with your customers, call (513) 259-3100, or write Eastman Kodak Company, Dayton Operations, 3100 Research Boulevard, Dayton, Ohio 45420-4099.

With direct mail ink-jet imaging not only avoids the perils of paper labels, but also provides greater versatility and improved response rates. Kodak ink-jet gives you the highest quality imaging for addressing and the flexibility to position personalized messages practically anywhere. You also get bar codes with tested readability rates of 100%. All Kodak products have received US Postal Service POSTNET bar code certification.



As a major player in high-volume, variable data imaging, Kodak offers the only imaging system capable of full-page variable-data printing at full production speeds. The system's versatility makes it perfect for everything from instant scratch-off lottery tickets to individualized sweepstakes mailings.

Dual image, ink-jet synchronization lets you move from conventional addressing to creative addressing. For catalogs you can address as well as deliver personalized messages both inside and outside. And, you can address and code inside order forms to solicit response and speed fulfillment. For magazines, Kodak's Selective Imaging and Gathering means ads can be selectively bound in and personalized. Individualized messages can be imaged both inside and outside for maximum impact and reader involvement.

The Focus Vision of Kodak

Kodak

Top 10 advertisers in 43 countries

Africa/Middle East

Israel ($ in thousands)

Advertiser	1990	1989	% chg
Bank Leumi	5,900	3,100	90.3
Elite	5,900	4,700	25.5
Tnuva	5,600	2,400	133.3
Israel Discount Bank	5,300	2,800	89.3
Osem Foods	5,200	3,500	48.6
Mifal Hapayis Lottery	4,900	3,400	44.1
Bank Hapoalim	4,700	3,700	27.0
First International Bank	3,500	2,600	34.6
Elyashar Imports	3,000	2,500	20.0
Coca-Cola Co	3,000	NA	NA

Notes: Figures reported in U.S. dollars. **Source:** Advertisers Association of Israel.

Jordan ($ in thousands)

Advertiser	1990	1989	% chg
Royal Jordanian	114	NA	NA
Jamayco	85	NA	NA
Jordan Islamic Bank	84	NA	NA
Housing Bank	65	NA	NA
Arab Bank	48	NA	NA
Refco	33	NA	NA
Egyptair	30	NA	NA
Daimler-Benz AG	25	NA	NA
Mr. Chips	20	NA	NA
BMW AG	15	NA	NA

Notes: Converted at 1.4855 U.S. dollars to the dinar. **Source:** Pan Arab Research Center.

Lebanon ($ in thousands)

Advertiser	1990	1989	% chg
Procter & Gamble Co	14,632	NA	NA
Coca-Cola Co	14,570	NA	NA
Guinness PLC	14,176	NA	NA
Philip Morris Cos	7,893	NA	NA
Grand Metropolitan	7,663	NA	NA
RJR Nabisco	7,203	NA	NA
Skin Net	6,678	NA	NA
PepsiCo	6,586	NA	NA
Afia	5,419	NA	NA
Anheuser-Busch Cos	5,157	NA	NA
Ad Diyar	4,745	NA	NA
Cadbury Schweppes	3,683	NA	NA

Notes: Converted at 0.013120 U.S. dollars to the L pound. **Source:** Pan Arab Research Center.

Pan Arabia ($ in thousands)

Advertiser	1990	1989	% chg
Philip Morris Cos	8,979	10,763	(16.6)
Procter & Gamble Co	7,971	9,564	(16.7)
Toyota Motor Corp	6,817	6,179	10.3
Rothmans International	5,104	6,059	(15.8)
General Motors Corp	3,938	2,192	79.7
Philips NV	3,823	1,755	117.8
Unilever NV	3,316	2,212	49.9
Nissan Motor Co	3,017	3,910	(22.8)
PepsiCo	2,720	3,017	(9.8)
Matsushita Electric Industrial Co	2,610	4,063	(35.8)

Notes: Pan Arabia includes: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. Figures reported in U.S. dollars. **Source:** Pan Arab Research Center.

South Africa ($ in thousands)

Advertiser	1990	1989	% chg
Pick 'n Pay	16,566	12,227	35.5
OK Bazaars	16,558	13,736	20.5
Unilever NV	15,229	12,885	18.2
Checkers	13,788	12,846	7.3
SA Breweries	12,036	9,209	30.7
Toyota SA*	8,672	6,501	33.4
South African Broadcasting Corp	7,522	NA	NA
Nissan*	6,130	5,417	13.2
Rothmans International	5,731	4,682	22.4
Stellenbosch Farmers Wineries	5,390	5,224	3.2

Notes: Figures converted at 0.38751 and 0.38694 U.S. dollars to the rand. *Indicates companies are locally owned. **Source:** Market Research Africa.

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Asia Pacific

Australia ($ in thousands)

Advertiser	1990	1989	% chg
Coles Myer	84,892	80,798	5.1
Unilever NV	43,558	48,359	(9.9)
Australian Government	32,528	22,365	45.4
Telecom Australia	26,791	24,600	8.9
Kellogg Co	25,633	25,356	1.1
Toyota Motor Corp	25,501	21,931	16.3
Amatil Ltd	24,685	23,972	3.0
Mitsubishi Motor Corp	24,397	23,901	2.1
Ford Motor Co	23,872	18,975	25.8
Reckitt & Colman PLC	23,725	21,607	9.8

Notes: Converted at 0.7807 and 0.80034 U.S. dollars to the Australian dollar. **Source:** Tart Research.

Hong Kong ($ in thousands)

Advertiser	1990	1989	% chg
Philip Morris Cos	10,568	8,840	19.5
Sharp Corp	9,442	5,140	83.7
Kao Corp	9,314	5,870	58.7
Hong Tai Travel	8,327	6,940	20.0
McDonald's Corp	7,793	5,480	42.2
Japan Tobacco Co	6,303	6,530	(3.5)
Sunflower Travel	6,296	4,370	44.1
B.A.T. Industries	6,170	4,980	23.9
RJR Nabisco	6,028	NA	NA
Matsushita Electric Industrial Co	5,769	5,480	5.3

Notes: Converted at 0.1284 and 0.1282 U.S. dollars to the H.K. dollar. **Source:** AGB Hong Kong.

India ($ in thousands)

Advertiser	1990	1989	% chg
Unilever NV	20,894	12,199	71.3
Godrej	6,371	3,836	66.1
Parle Products	6,199	3,899	59.0
Colgate-Palmolive Co	5,166	4,024	28.4
Bajaj Auto	4,764	2,641	80.4
ITC	4,477	1,446	209.6
Glaxo	4,248	2,452	73.2
HMT	3,674	1,258	192.1
Videocon	3,674	3,144	16.8
Nirma Chemicals	3,616	3,207	12.8

Notes: Converted at 0.0574 and 0.06288 U.S. dollars to the rupee. **Source:** Operations Research Group.

Indonesia ($ in thousands)

Advertiser	1990	1989	% chg
Sampoerna	2,750	1,425	93.0
Djarum	2,475	2,451	1.0
Bank Danamon	2,365	570	314.9
Toyota Motor Corp	2,145	2,109	1.7
Daihatsu Inc	1,980	570	247.4
Bank Duta	1,925	781	146.5
Bendera/Bendera 123	1,815	1,368	32.7
Lippobank	1,705	2,622	(35.0)
Philip Morris Cos	1,650	1,226	34.6
Bank Central Asia	1,430	741	93.0

Notes: Figures reported in U.S. dollars. **Source:** Citra: Lintas Indonesia and Asian Marketing Week.

Japan ($ in thousands)

Advertiser	1990	1989	% chg
Canon Inc	372,877	NA	NA
Hitachi Ltd	367,203	295,124	24.4
Matsushita Electric Industrial Co	355,536	336,643	5.6
Toyota Motor Corp	309,386	236,381	30.9
Kao Corp	304,217	313,891	(3.1)
Suntory	283,270	311,514	(9.1)
Toshiba Corp	259,528	259,759	(0.1)
NEC Corp	258,213	257,040	0.5
Nippon Telephone & Telegraph	252,213	230,853	9.3
Mitsubishi Motor Corp	238,726	247,943	(3.7)

Notes: Converted at 0.00692 and 0.00745 U.S. dollars to the yen. **Source:** Japanese Ministry of Finance.

Malaysia ($ in thousands)

Advertiser	1990	1989	% chg
Rothmans International	21,456	16,317	31.5
Nestle SA	11,098	9,642	15.1
B.A.T. Industries	11,098	12,609	(12.0)
RJR Nabisco	7,547	10,755	(29.8)
Colgate-Palmolive Co	6,807	6,304	8.0
Unilever NV	4,328	5,563	(22.2)
Royal Dutch Shell	4,328	2,596	66.7
NEC Corp	3,699	NA	NA
Philip Morris Cos	3,699	NA	NA
Matsushita Electric Industrial Co	3,514	3,709	(5.2)

Notes: Converted at 0.36993 and 0.37085 U.S. dollars to the Malaysian dollar. **Source:** Survey Research Malaysia.

New Zealand ($ in thousands)

Advertiser	1990	1989	% chg
New World Supermarkets	7,002	6,099	14.8
ANZ Bank	6,751	NA	NA
Farmers	6,738	6,817	(1.1)
Telecom Services	6,304	3,895	61.9
Smiths City	6,082	4,182	45.4
The Warehouse	5,176	3,678	40.7
F.W. Woolworth	4,264	4,876	(12.6)
Noel Leeming Appliances	3,854	NA	NA
TVNZ Advertising	3,565	2,906	22.7
Deka Department Stores	2,988	NA	NA

Notes: Converted at 0.59688 and 0.60458 U.S. dollars to the N.Z. dollar. **Source:** AGB:McNair.

Philippines ($ in thousands)

Advertiser	1990	1989	% chg
San Miguel Corp	9,680	10,207	(5.2)
Nestle SA	9,184	10,855	(15.4)
Procter & Gamble Co	5,452	5,365	1.6
Philippine Refining Corp	5,411	5,353	1.1
Colgate-Palmolive Co	5,375	5,386	(0.2)
Fortune Tobacco Corp	3,939	4,126	(4.5)
Coca-Cola Co	3,585	4,827	(25.7)
United Laboratories	2,996	5,052	(40.7)
Asia Brewery Co	2,357	2,930	(19.6)
Philippine Long Distance	2,058	NA	NA

Notes: Figures reported in U.S. dollars. **Source:** Philippine Monitoring Services.

Singapore ($ in thousands)

Advertiser	1990	1989	% chg
McDonald's Corp	3,065	2,581	18.8
Yaohan	2,847	2,504	13.7
Singapore Airlines	2,080	1,526	36.3
American Express Co	1,971	2,043	(3.6)
PepsiCo	1,916	1,598	19.9
(Singapore) Telecom	1,697	NA	NA
Courts Furniture	1,642	1,306	25.8
Metro Department Store	1,587	1,203	31.9
Tiger Beer Co	1,533	1,454	5.4
Ministry of Communications	1,533	NA	NA

Notes: Converted at 0.54741 and 0.51212 U.S. dollars to the S. dollar. **Source:** AA bureau reports.

South Korea ($ in thousands)

Advertiser	1990	1989	% chg
Samsung Co	47,022	39,068	20.4
Lotte Group	46,744	33,401	39.9
Goldstar	38,030	28,476	33.5
Lucky	37,384	35,678	4.8
Pacific Chemical	32,578	34,042	(4.3)
Dongsuh Foods	26,852	17,678	51.9
Hyundai Group	25,741	NA	NA
Daewoong Pharmaceuticals	21,017	15,465	35.9
Daewoo Electronics	19,764	15,189	30.1
Ildong Pharmaceutical	19,224	NA	NA

Notes: Converted at 0.00142 and 0.00149 U.S. dollars to the won. **Source:** Cheil Communications.

Taiwan ($ in thousands)

Advertiser	1990	1989	% chg
President Food Co	20,999	17,210	22.0
Ford Motor Co	9,471	NA	NA
United Daily News	9,168	NA	NA
China Times Weekly	8,928	NA	NA
Kuo Lian Chemical Industry	8,920	6,478	37.7
Unilever NV	8,920	4,799	85.9
King Car Co	8,693	7,417	17.2
Nice Group	8,580	9,211	(6.9)
Kao Corp	8,396	3,875	116.7
Kolin Electric	6,914	6,656	3.9

Notes: Converted at 0.3777 and 0.03665 U.S. dollars to the T dollar. **Source:** Breakthrough Magazine.

Thailand ($ in thousands)

Advertiser	1990	1989	% chg
Muang Thong Thani	3,817	NA	NA
Kratingdaeng	3,436	NA	NA
Sony Corp	3,056	877	248.4
Procter & Gamble Co	2,533	2,769	(8.5)
Bank of Ayundhya	2,400	NA	NA
Colgate-Palmolive Co	2,053	8,039	(74.5)
Nissan Motor Co	2,022	2,812	(28.1)
Shark & White Shark	1,997	NA	NA
Fuji Photo Film	1,935	633	205.7
Nestle SA	1,797	6,168	(70.9)

Notes: Converted at 0.04163 and 0.03913 U.S. dollars to the baht. **Source:** AA bureau reports.

Europe

Austria ($ in thousands)

Advertiser	1990	1989	% chg
Unilever NV	38,237	33,386	14.5
Spar AG	16,673	10,403	60.3
Billa Konzern	16,176	14,778	9.5
Mars Inc	13,176	11,725	12.4
Raiffeisen Bank	12,958	11,000	17.8
Philip Morris Cos	12,557	8,764	43.3
Procter & Gamble Co	12,103	10,630	13.9
Porsche AG	11,885	9,844	20.7
Henkel Group	11,868	9,746	21.8
Konsum Oesterreich	10,377	12,337	(15.9)

Notes: Converted at 0.0872 and 0.07555 U.S. dollars per schilling. **Source:** A.C. Nielsen Co.

Britain ($ in thousands)

Advertiser	1990	1989	% chg
Unilever NV	199,644	177,185	12.7
Procter & Gamble Co	159,316	144,286	10.4
Mars Inc	124,966	99,517	25.6
Nestle SA	110,072	110,935	(0.8)
Kellogg Co	92,526	84,047	10.1
PSA Peugeot-Citroen SA	79,295	72,294	9.7
British Telecom	67,444	75,123	(10.2)
Ford Motor Co	62,156	63,387	(1.9)
Philip Morris Cos	62,085	91,899	(32.4)
American Brands	59,980	49,156	22.0

Notes: Converted at 1.7688 and 1.76424 U.S. dollars to the British pound. **Source:** Campaign.

Denmark ($ in thousands)

Advertiser	1990	1989	% chg
FDB	14,513	8,605	68.6
Procter & Gamble Co	8,045	0	NA
Dansk Supermarked	7,668	4,786	60.6
Unilever NV	7,647	3,335	129.3
Aller	7,534	3,866	94.9
Magasin	7,129	5,148	38.5
Scandinavian Airlines System	3,813	2,789	36.7
Colgate-Palmolive Co	3,331	2,193	51.9
Philip Morris Cos	3,331	764	336.1
Royal Dutch Shell	3,094	2,092	47.9

Notes: Converted at 0.1606 and 0.13718 U.S. dollars to the kroner. **Source:** Brogger & Nygart.

Finland ($ in thousands)

Advertiser	1990	1989	% chg
Aro-yhtyma	17,428	12,361	41.0
Valio	13,450	15,859	(15.2)
Korpivaara	11,390	11,894	(4.2)
Veho	11,130	11,894	(6.4)
OKOBANK Group	10,940	11,428	(4.3)
SKOBANK Group	10,609	15,859	(33.1)
Kesko	9,543	12,361	(22.8)
OKOBANK Real Estate	8,525	8,163	4.4
VV-Auto	7,601	7,230	5.1
Ford Motor Co	7,459	6,763	10.3

Notes: Converted at 0.2368 and 0.23322 U.S. dollars to the markka. **Source:** AA bureau reports.

France ($ in thousands)

Advertiser	1990	1989	% chg
Renault SA	177,365	158,788	11.7
PSA Peugeot-Citroen SA	114,541	137,156	(16.5)
Philips NV	86,498	37,777	129.0
Procter & Gamble Co	83,220	85,051	27.9
Henkel Group	82,856	73,359	12.9
Unilever NV	71,930	38,090	88.8
Volkswagen AG	67,741	81,040	(16.4)
Fiat SpA	63,007	47,339	33.1
Sopad	58,454	66,776	(12.5)
Colgate-Palmolive Co	57,362	50,317	14.0

Notes: Converted at 0.1821 and 0.15675 U.S. dollars to the franc. **Source:** SECODIP as reported by Decisions Media.

Germany ($ in thousands)

Advertiser	1990	1989	% chg
Procter & Gamble Co	238,875	176,160	35.6
Unilever NV	220,714	152,289	44.9
Philip Morris Cos	151,499	100,762	50.4
Nestle SA	143,421	119,998	19.5
German Post Office	134,455	89,732	49.8
C&A Brenninkmeyer	130,488	112,271	16.2
Henkel Group	113,471	90,105	25.9
Mars Inc	110,210	89,945	22.5
Volkswagen AG	103,833	87,441	18.7
General Motors Corp	96,498	79,341	21.6

Notes: Converted at 0.6144 and 0.53285 U.S. dollars to the mark. **Source:** A.C. Nielsen Co.

Greece ($ in thousands)

Advertiser	1990	1989	% chg
Unilever NV	15,368	9,140	68.1
Procter & Gamble Co	9,161	4,964	84.5
Soprol AE	7,475	5,427	37.7
Delta Dairy Products	6,017	4,107	46.5
Colgate-Palmolive Co	5,985	4,595	30.3
Karoulias	4,425	NA	NA
Elais Oils	4,026	3,831	5.1
Metaxas	3,855	NA	NA
Interamerican Insurance	3,506	2,191	60.0
Warner Lambert Co	3,379	NA	NA

Notes: Figures are converted at 0.00634 and 0.00626 U.S. dollars to the drachma. **Source:** A.C. Nielsen Co.

Italy ($ in thousands)

Advertiser	1990	1989	% chg
Unilever NV	400,598	448,893	(10.8)
Procter & Gamble Co	332,236	229,026	45.1
Fiat SpA	213,994	192,830	11.0
Ferrero SpA	206,946	160,692	28.8
Barilla SpA	151,903	112,992	34.4
PSA Peugeot-Citroen SA	143,807	94,320	52.5
Henkel Group	108,385	42,379	55.8
Standa	105,797	126,673	(16.5)
Alfa Romeo	100,705	72,039	39.8
Perfetti SpA	96,610	92,026	5.0

Notes: Converted at 0.00083 and 0.00073 U.S. dollars to the lira. **Source:** A.C. Nielsen Co.

Netherlands ($ in thousands)

Advertiser	1990	1989	% chg
Unilever NV	21,426	15,314	39.9
Sara Lee Corp	15,628	5,907	164.6
Mars Inc	12,343	8,420	46.6
Philips NV	12,043	6,892	74.7
Henkel Group	10,329	4,350	137.4
Nestle SA	8,608	3,392	153.7
Albert Heijn	8,117	6,490	25.1
General Motors Corp	7,076	5,058	39.9
PSA Peugeot-Citroen SA	6,794	6,153	10.4
Postbank	6,419	6,623	(3.1)

Notes: Converted at 0.5453 and 0.47195 U.S. dollars to the guilder. **Source:** Adformatie.

Norway ($ in thousands)

Advertiser	1990	1989	% chg
Toyota Motor Corp	7,298	4,900	48.9
Norske Meierier	6,711	6,107	9.9
Royal Dutch Shell	6,219	NA	NA
Denofa LilleGorg Fabrikker A/S	6,140	4,086	50.3
Ford Motor Co	5,775	3,955	46.0
General Motors Corp	5,711	4,522	26.3
Statens Informasjonstjeneste	5,680	4,508	25.0
Norsk Tipping A/S	5,172	3,606	43.4
Volkswagen AG	5,029	4,668	7.7
Freia AS	5,013	3,490	43.7

Notes: Converted at 0.15865 and 0.14541 U.S. dollars to the kroner. **Source:** A/S Norsk Reklame-Statistikk.

Spain ($ in thousands)

Advertiser	1990	1989	% chg
PSA Peugeot-Citroen SA	145,029	103,389	40.3
Spanish Economy Ministry	124,010	75,755	63.7
Volkswagen AG	118,809	84,857	40.0
Renault SA	99,251	84,840	17.0
El Corte Ingles	90,533	76,546	18.3
Unilever NV	72,573	52,457	38.3
Fiat SpA	69,524	51,850	34.1
Nestle SA	62,920	43,186	45.7
Pascual	53,288	22,995	131.7
Henkel Group	51,164	32,249	58.7

Notes: Converted at 0.00974 and 0.00842 U.S. dollars to the peseta. **Source:** J. Walter Thompson Co.

Sweden ($ in thousands)

Advertiser	1990	1989	% chg
ICA AB	83,187	72,027	15.5
Kooperativa Forbundet	74,825	76,894	(2.7)
Volvo AB	21,245	20,821	2.0
Telverket	19,535	16,159	20.9
Ahlens AB	17,089	23,347	(26.8)
Onoff	14,919	NA	NA
Philips NV	12,526	9,920	26.3
Hennes & Mauritz AB	12,144	10,632	14.2
Vivo-Favor Forbundet	11,408	11,825	(3.5)
Sparbankernas	10,510	NA	NA

Notes: Converted at 0.168070 and 0.15595 U.S. dollars to the kroner. **Source:** IMU-Testologen AB.

Switzerland ($ in thousands)

Advertiser	1990	1989	% chg
Migros	58,017	44,228	31.2
Coop	46,603	36,490	27.7
General Motors Corp	20,928	13,567	54.3
Toyota Motor Corp	16,702	15,445	8.1
Ford Motor Co	11,090	9,927	11.7
Fiat SpA	10,183	7,459	36.5
Unilever NV	9,172	8,761	4.7
PSA Peugeot-Citroen SA	9,093	5,940	53.1
Nissan Motor Co	8,871	7,732	14.7
Mars Inc	8,689	10,578	(17.9)

Notes: Converted at 0.7153 and 0.62005 U.S. dollars to the franc. **Source:** AA bureau reports.

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Turkey ($ in thousands)

Advertiser	1990	1989	% chg
Unilever NV	18,419	16,578	11.1
Veb Ofset	9,354	6,730	39.0
Milpa	7,972	2,799	184.8
Arcelik	7,546	2,796	169.9
AEG Portfolio	7,124	2,330	205.8
Eczacibasi	7,038	NA	NA
Beko	6,466	NA	NA
Hurpa	6,378	2,710	135.3
Durust Kimya	6,296	3,949	59.4
Turyag	6,212	NA	NA

Notes: Converted at 0.000398 and 0.0005 U.S. dollars to the lira. **Source:** Deniz Advertising Research.

North America

Canada ($ in thousands)

Advertiser	1990	1989	% chg
Thomson Group	64,888	22,190	192.4
General Motors Corp	58,513	47,590	23.0
Government of Canada	57,641	63,788	(9.6)
Procter & Gamble Co	57,564	51,484	11.8
Sears, Roebuck & Co	54,750	18,455	196.7
Molson Cos	45,097	46,475	(3.0)
Paramount Communications	38,281	35,654	7.4
Unilever NV	37,506	39,405	(4.8)
Cineplex Odeon Corp	36,705	36,381	0.9
John Labatt Ltd	34,979	37,500	(6.7)

Notes: Converted at 0.8563 and 0.83882 U.S. dollars to the C dollar. **Source:** Marketing.

United States ($ in millions)

Advertiser	1990	1989	% chg
Procter & Gamble Co	2,285	1,802	26.8
Philip Morris Cos	2,210	2,072	6.6
Sears, Roebuck & Co	1,507	1,465	2.9
General Motors Corp	1,503	1,354	10.2
Grand Metropolitan	883	806	9.5
PepsiCo	849	786	8.0
AT&T Co	797	568	40.3
McDonald's Corp	764	774	-1.3
Kmart Corp	693	562	23.4
Time Warner	677	582	16.3

Sources: LNA/Arbitron Multi-Media Service and 100 Leading National Advertisers (AA, Sept. 25, 1991).

Latin America

Argentina ($ in thousands)

Advertiser	1990	1989	% chg
Unilever NV	23,034	5,280	336.2
Philip Morris Cos	16,924	6,614	155.9
Aurora SAICIF	11,573	4,738	144.2
B.A.T. Industries	10,080	4,101	145.8
Coca-Cola Co	8,972	2,023	343.4
PepsiCo	7,242	2,607	177.8
Mastellone Hermanos	5,799	NA	NA
Refineras de Maiz	5,583	NA	NA
Tiras Artisticas	4,576	NA	NA
PSA Peugeot-Citroen SA	3,921	3,012	30.2

Notes: Figures reported in U.S. dollars. **Source:** Fuentes S.A.

Brazil ($ in thousands)

Advertiser	1990	1989	% chg
Unilever NV	55,368	55,319	0.1
Casas Bahia	50,258	28,652	75.4
Cia. Bras de Distribuicao	40,254	0	NA
Philips NV	37,578	38,647	(2.8)
Lojas Arapua	31,493	45,450	(30.7)
Nestle SA	29,642	33,772	(12.2)
Mappin-Casa Anglo	26,687	34,330	(22.3)
Banco Bradesco	25,486	35,023	(27.2)
Globex Utilidades	23,816	0	NA
Lopes Consultoria	18,043	31,694	(43.1)

Notes: Figures reported in U.S. dollars. **Source:** AA bureau reports.

Chile ($ in thousands)

Advertiser	1990	1989	% chg
Unilever NV	12,000	NA	NA
Nestle SA	8,700	NA	NA
Compania Cerverza Unidas	3,900	NA	NA
Coca-Cola Co	3,600	NA	NA
Soprole	3,400	NA	NA
Procter & Gamble Co	3,100	NA	NA
CMPC	3,100	NA	NA
CIA Telefonos	2,900	NA	NA
Corona	2,900	NA	NA
Centenario	2,800	NA	NA

Notes: Figures reported in U.S. dollars. **Source:** AA bureau reports.

Mexico ($ in thousands)

Advertiser	1990	1989	% chg
Procter & Gamble Co	7,262	NA	NA
PepsiCo	5,625	NA	NA
Unilever NV	5,162	NA	NA
Colgate-Palmolive Co	4,628	NA	NA
Casa Pedro Domecq	3,916	NA	NA
Bancomer Bank	3,204	NA	NA
Kimberly Clark Corp	3,204	NA	NA
Coca-Cola Co	3,168	NA	NA
Bacardi Corp	2,884	NA	NA
Kellogg Co	2,385	NA	NA

Notes: Converted at 0.000356 and 0.00042 U.S. dollars to the peso. **Source:** AA bureau reports.

Puerto Rico ($ in thousands)

Advertiser	1990	1989	% chg
Procter & Gamble Co	25,606	22,928	11.7
Unilever NV	11,256	9,631	16.9
Sears, Roebuck & Co	10,977	5,444	101.6
AT&T Co	9,277	5,643	64.4
Colgate-Palmolive Co	8,639	9,590	(9.9)
Puerto Rico Telephone	6,832	4,691	45.6
Nestle SA	6,602	4,139	59.5
Anheuser-Busch Cos	5,301	4,527	17.1
PepsiCo	5,271	NA	NA
Sterling Products	4,550	NA	NA

Source: Publish Records Service.

How to read these rankings

Advertising Age's fifth annual ranking of major advertisers outside the U.S. and seventh annual Global Media lineup are compiled from data obtained from around the world.

Global marketers

The advertiser ranking on Page S-6 includes spending figures from 43 countries. Sources for the data include research companies, media tracking services, marketing publications and advertising agencies. Lists of data about ad spending within countries were obtained by *Ad Age* correspondents. The lists ranged from as many as 200 advertisers to only the top 10 spenders.

There is no standard procedure for monitoring ad spending worldwide. In some countries, lists are compiled by brand or by divisions or subsidiaries of companies. Wherever possible, spending reported for a brand, division or subsidiary is added to the parent company's total. The company names have been "Americanized" for the purpose of this ranking.

Ad spending in some countries is reported according to rate card figures. When appropriate, gross rates are discounted by AA editors to reflect more accurately actual spending in the market.

Sources for individual countries are listed below their respective country rankings in the tables titled "Top 10 advertisers in 43 countries," starting on Page S-12. All figures are reported in U.S. dollars, using conversion rates of 12-month averages for 1990 and 1989, respectively. Source lines include conversion rates for both 1990 and 1989, unless sources provided figures in U.S. dollars rather than local currencies.

Global media

AA requested circulation and other data from publishers for years ended June 1990 and June 1991. Ad rates reported were in effect at the end of June in both those years.

Criteria for inclusion of publications in the table on Page S-2 are:

- Substantial mass circulation on at least three continents.
- Worldwide circulation of at least 50,000 of international editions equal to at least 10% of the domestic circulation.
- Advertising in all editions purchased through a central office.

Trade publications are excluded because they aren't considered mass circulation magazines.

Licensed publications are also excluded because they lack central control over advertising. □

Coordinating this report were Kevin Brown, Ilse Cermak, R. Craig Endicott, Nancy Giges, Julie Skur Hill and Kathy Welyki.

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Asian satellite TV blasts off

By Andrew Geddes

HONG KONG—The battle in Southeast Asia's exploding commercial satellite TV industry is intensifying.

Spurred by the generally poor quality of services supplied by terrestrial broadcasters and the region's expanding economies, major English-language program suppliers are finding vast new markets for their products via systems employing direct broadcast by satellite.

One of the most ambitious ventures to date is HutchVision's Satellite Television Asian Region TV, known as STAR TV, which started regular broadcasts earlier this year. STAR TV channels are transmitted via the AsiaSat 1 satellite's signal, which shadows an estimated 2.7 billion potential viewers in 38 countries.

To date, STAR TV has launched Sports Channel and Music Channel, joint ventures with Denver-based sports programmer Prime Network and New York-based Viacom International's MTV Networks, respectively. BBC International made its debut Oct. 15.

A joint-venture agreement has also been signed with Hong Kong's Asia Television for a Chinese Channel that will make its debut later this year.

Negotiations for partners for STAR TV's English-language Entertainment Channel are yet to be concluded.

STAR TV provides its service free and relies solely on advertising for revenue. George Chan, VP-sales and marketing, said STAR TV hopes to reach 4 million homes by 1994.

STAR TV and MTV join forces in Asia for the satellite TV war.

Despite the absence of hard audience data and the relatively small numbers, Mr. Chan said STAR TV raised $65 million in advance ad revenues through a special plan.

Each advertiser, including Chase Manhattan Corp., Mobil Oil Corp. and Mitsubishi Motor Corp., paid $2 million for a package of spots and an opportunity to buy 0.25% of the company's equity, Mr. Chan said.

Single global buys on MTV are "not far away," he said.

"We're talking to people like Pepsi and Coke," MTV Chairman-CEO Tom Freston said.

"We really want MTV to be perceived as an indigenous network where it is," he said.

Mr. Chan said advertisers on STAR TV's transmission in August of the MTV Video Music Awards included Nike and Swatch International.

He said STAR TV is also actively marketing its channels wholesale to the region's some 150 terrestrial broadcasters and cable TV stations.

Initial rates are $1,200 for a 30-second run-of-schedule spot or $1,680 for a fixed-time spot, Mr. Chan said.

Two other networks seeking viewers, Cable News Network International and ESPN, won't be part of STAR TV's service. Those can be seen starting next month via the Indonesian government-operated Palapa B2 satellite.

Industry sources say STAR TV failed to sign CNN and ESPN because the two U.S. program suppliers disagree with STAR TV's policy of not scrambling signals.

On the Palapa system, CNN and ESPN will encode their signals and rely on subscriptions as a prime source of revenue.

CNN has been available for four years but has few viewers because consumers must have a 7.5-meter dish costing tens of thousands of dollars to receive the signal, beamed from an Intelsat satellite. A dish less than half that size, costing about $10,000, is needed to receive Palapa's signal, available to an estimated 40 million TV homes throughout the eight-country region.

A CNN spokeswoman said the network expects to have about 2 million subscribers in three to five years. Ad rates and subscription price for the Asian service aren't yet available.

Sources say U.S.-based Home Box Office, state-owned Singapore Broadcasting Service and TV New Zealand are also negotiating for space on the Palapa satellites. □

Marcy Magiera in Los Angeles contributed to this story.

In America, there's a local language edition of Business Week.

The same goes for China, Hungary and Russia.

BusinessWeek

PROFIT BY IT

Publishers vs. EC proposals

Campaign addresses threats to ad revenues, jobs

By Laurel Wentz

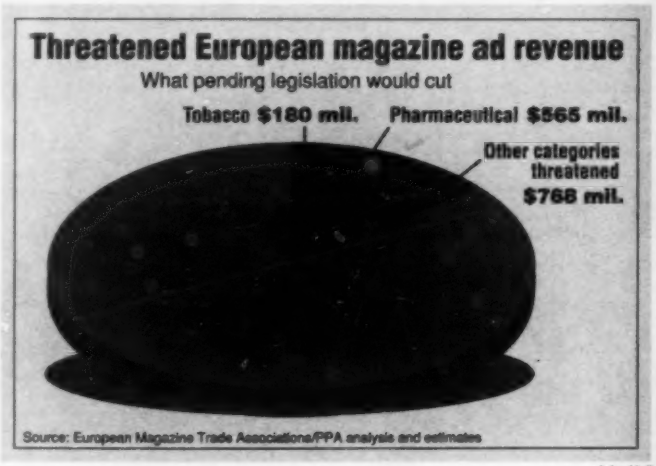
LONDON—Publishers are mobilizing to fight proposed European Community legislation that could cause massive losses of ad revenues and jobs.

The European Publishers Council, formed to combat proposed restrictions on advertising, will break a campaign Nov. 11 in about 100 newspapers and more than 200 magazines.

"If revenue comes down 30% to 40% and you have to cut your editorial costs, newspapers and magazines won't have the same variety of information," said Hubert Burda, chairman, Burda Verlag, Munich.

The publishers' group saw work from 43 agencies and selected print ads created by three—Saatchi & Saatchi Advertising here; Antelme Potel & Associes, Paris; and Bro Annonsbyra, Stockholm. The line "Stop the EC taking liberties" will appear in each ad.

The agencies donated their time, and publishers are providing an estimated $50 million in space for the campaign that will continue into next year.


Threatened European magazine ad revenue
What pending legislation would cut
Tobacco $180 mil.
Pharmaceutical $565 mil.
Other categories threatened $768 mil.
Source: European Magazine Trade Associations/PPA analysis and estimates
John Hall

Legislation is most advanced for restrictions on tobacco and pharmaceutical ads. The tobacco directive is scheduled to be reviewed by EC health ministers Nov. 11, and the pharmaceutical directive is awaiting a second reading in the European Parliament. The European Commission's Consumer Policy Service is expected to make proposals in the coming months that could lead to a directive on food claims.

Up to 1,742 magazines across Europe could close and 16,110 jobs could be eliminated if all the measures under discussion are enacted, a study by another publishers' group found.

The Federation of Associations of Periodical Publishers, Brussels, issued a report this summer that studied the legislation's possible impact on the magazine industry, currently employing 200,000 people at 30,000 titles in the EC.

In 1990, magazine ad revenues totaled $10.9 billion, or 25.4% of all ad revenue in the 12 member nations, the report found. Magazines' share of total ad revenue ranged from a low of 9.6% in Ireland to a high of 32.6% in Germany.

At risk under the proposals are $180 million in tobacco ads, $565 million in pharmaceutical ads and $768 million in other categories, the report said. □

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Mags beat tough times

By Laurel Wentz and Dagmar Mussey

The increasing independence of Spanish women, the birth of a baby in the U.K. and reunification of Germany have enabled three monthlies to thrive in hard times.

These success stories counter the downturn in circulation and ad spending that forced magazines such as *Vanity Fair, Mirabella* and *Fortune* to close local editions in Europe this year.

In Spain, *Cosmopolitan* claims it has become the largest-selling women's magazine. The year-old joint venture between *Cosmo* parent Hearst Corp. and German publisher Gruner & Jahr has turned a potential liability—the first audited circulation figures aren't available until mid-November—into a selling point.

"We couldn't wait that long," said Jorge Planas, manager of Gruner & Jahr Espana. "In March we made the offer that if we're not No. 1, we'll give [advertisers] back one of every three pages bought. If we're not [at least] No. 2, we'll give back two of every three pages bought."

Cosmo claims it seized the circulation lead by addressing readers in a more straightforward—even risque—way than other magazines in Spain, he said.

A daring print and TV campaign by etc, Madrid, challenges readers. One ad reads, "If you like sex in movies more than in bed, don't read *Cosmopolitan*. You decide." New executions broke this month.

Despite its claimed 171,000 circulation, Spanish *Cosmo* still trails its competitors in ad revenue, including the 129,000-circulation *Elle*, 98,000-circulation *Marie Claire* and 42,000-circulation *Vogue*

"The only weak spot . . . is that advertising money is not coming in as fast as we'd like it to," Mr. Planas said.

For the fiscal year that began July 1, Mr. Planas expects advertising to total 53% of revenues and circulation the remaining 47%. Long term, advertising should reach 60% to 65% of revenues, he said.

Spanish *Cosmo* takes about 50% of its editorial content from the U.S. edition.

Based on the success of *Cosmopolitan* in another market, the U.K., Hearst in 1989 relaunched *She* for women with children.

Linda Kelsey, then U.K. *Cosmo's* editor, returned from maternity leave in 1989 to discover there was no magazine aimed at the *Cosmo* reader who had married and had children.

"It's a terrible cliche that having a baby changes your life, but it does," said Ms. Kelsey, 39. "I thought, if I see life from a different perspective, where is the magazine that's right for me?"

Instead of launching a new magazine, Hearst's U.K. subsidiary, National Magazine Co., offered Ms. Kelsey an existing Hearst title, *She*.

In the relaunched magazine, Ms. Kelsey created a 16-page monthly section called "You & Your Child" that has attracted new advertisers, including Hasbro toys and Boots baby products. By segregating the section about children, *She* attracts more upscale advertisers such as Harrods in other parts of the magazine.

In Germany, meanwhile, *Reader's Digest* has grown by targeting the new eastern German market. *Das Beste*, the German edition, has increased sales by 434,000 in the last year, thanks to its new Eastern readers. The five east German states now account for 24.5% of the 1.8 million German circulation of *Das Beste*, up from zero before reunification a year ago.

Relaunched *She* addresses upscale moms with a lively format.

Other western German magazines have made only modest gains in the east. Two of the largest-circulation Western German weeklies, Gruner & Jahr's *Stern* and Burda's *Die Bunte*, have only added about 38,000 and 22,900, respectively, in eastern German sales.

"*Das Beste* has been accepted by east German readers because it offers help and advice in many situations, and that is what east Germans need," said Joachim Reischuck, the magazine's manager of marketing services and research. Articles in *Das Beste's* October issue include such as "You too can draw," "Are you only tired or are you sick?" and "Why I didn't lose hope." □

Share belittles int'l media's worth

By Nancy Giges

European media companies typically concentrate on home markets, but their importance to advertisers is greater than pan-European audience size would indicate.

The study by Young & Rubicam, London, published by NTC Publications, found more than 90% of what Europeans listen to, watch and read is owned by a company based in their country. But a few companies are becoming multinational.

Dominance—in both home country and in categories—makes the companies indispensable to advertisers, particularly as the publications expand, the report found.

"The big publishers who are strong in Europe—in Germany, the U.K. and France—tend to expand into the same media in different countries," said Jane Perry, research director, Young & Rubicam Media in Europe, London.

"Just as a large advertiser likes to deal with the same agency in different countries," working with the same publisher and title gives a sense of familiarity, she said.

Initially, "they are driven by a publishing rather than an advertising imperative and are looking for circulation," Ms. Perry said.

The study, prepared last spring, used material from published sources, including statements from the companies and financial reports.

Reader's Digest is the only truly international magazine publishing separate editions in all major Western European countries, except Austria, Ireland and Greece. It's among the top three paid-circulation monthlies in every country except Spain and is the No. 1 seller in eight countries.

Although *Reader's Digest* has 7.7% of European monthlies' circulation total, it trails the 8.5% of Bertelsmann, which publishes titles in a number of countries including Germany, Spain, France and the U.K.

Most of the multinational European media groups come from the four largest markets—Germany, France, Italy and the U.K. German publishers claim 38% of all European sales of both weeklies and monthlies as well as half of all women's magazine sales, according to the report. France holds the next largest share, with 12% of monthlies and 10% of weeklies.

Bertelsmann, whose major consumer magazine company is Gruner & Jahr, is the only German company whose media interests outside its homeland exceed those within the country. Non-German circulation accounts for 62% of Bertelsmann's total European circulation. The company sells 7.7 million copies of weeklies and 7.4 million copies of monthlies in Europe.

Bertelsmann also shows up as an electronic media player, primarily because of its 38.9% holding of RTL-Plus in Germany.

Capturing a big piece of the weeklies' market is Heinrich Bauer Verlag, Germany's largest magazine publisher with 40% of the women's market and 20% of general-magazine sales. Outside Germany, Bauer has concentrated on expanding its domestic titles. For example, the German *Tina* is called *Maxi* in France, *Bella* in the U.K. and *Women's World* in the U.S.

Another major player, Axel Springer Verlag, accounts for 8.8% of the weeklies' circulation in Europe, primarily via TV guides and sport and hobby titles.

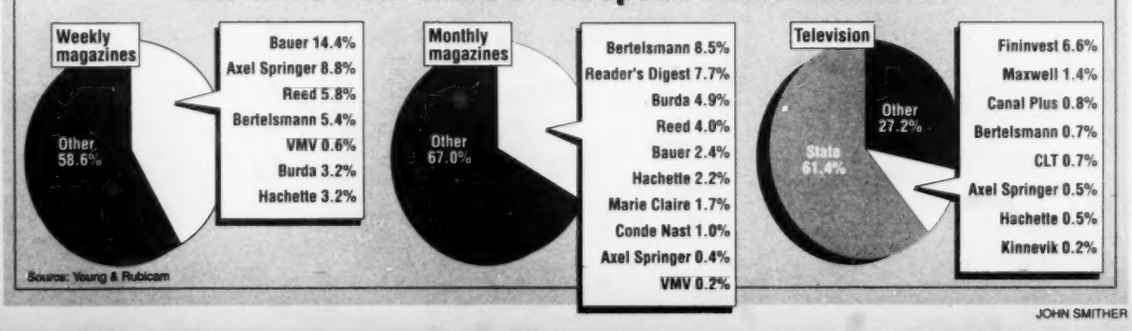
Of the 12 countries included in the study, only Austria had more than 20% foreign ownership in all three print categories: dailies, weeklies and monthlies.

The greatest foreign ownership of monthly magazines is in Switzerland, where foreign companies own 60%, including Hearst Corp., New York, with 24%. Austria has the greatest foreign ownership of weeklies. Bauer holds 51% of women's weeklies and 14% of other weeklies.

TV across Europe is heavily state-controlled, with 61.5% of its audience viewing state-owned channels. Only Silvio Berlusconi's Fininvest controls more than a minuscule percentage of media outside its home country of Italy, with 6.6% of the total European audience. □

Laurel Wentz contributed to this story.

Who owns what share of European media audiences



JOHN SMITHER

Fortune

(Continued from Page S-1)

cloud perception of what kind of magazine *Fortune* is," he said.

During most of *Fortune Italia's* short life, a legal battle raged between Italian entrepreneurs Silvio Berlusconi and Carlo de Benedetti for control of Mondadori, *Fortune's* Italian partner.

"By the time the court battle was resolved, a lot of the damage had been done," Mr. Hayes said.

"Next time we'll have more control and not do it 50-50," he said. "And there will be more management involvement."

"I think they burned their fingers," said Gerd Hinske, publisher of *Business Week International*. "A good title is not automatically a recipe for success."

Business Week's only local-language, joint-venture arrangements are in the Soviet Union and Eastern Europe, where Mr. Hinske noted the editorial is translated from *Business Week*, costs are low and circulation is relatively small.

In February 1988, Hachette and *Fortune* teamed up in France in a joint venture presided over by Hachette Vice Chairman Daniel Filipacchi.

Marie-Solange de Vaugelas, former ad-

"I think they burned their fingers. A good title is not automatically a recipe for success."

vertising director of *Fortune France*, recalled the struggle between the Americans' desire to control the editorial content and the magazine's increasingly French touch.

"*Fortune France* was more glamorous, with a different layout and paper quality" than *Fortune* in the U.S., she said. She's now ad director of the French edition of *Reader's Digest*.

Faced with irreconcilable differences, *Fortune France* closed in 1990. That also doomed the Spanish edition that was to have been launched with Hachette.

In Germany, *Fortune* negotiated for several years with publishing giants Gruner & Jahr, Burda Verlag and Axel Springer Verlag.

"*Fortune* wanted to have the final say in editorial matters, and that was the reason G&J declined," said a German media executive.

At Axel Springer, a spokesman said German publishers are more interested in the eastern German market than other opportunities.

Burda, however, made a deal with *Fortune* rival *Forbes* to launch *!Forbes von Burda* in February 1990 as a 50-50 joint venture in Germany. Circulation reached 90,197 by September 1991, but ad pages for the first nine months of the year totaled 625, compared with 793 for all of last year, when the magazine published eight issues. Burda has the rights to launch *Forbes* in the rest of Europe but currently has no plans.

The Italian edition of *Fortune* was shuttered July 19. Launched in April 1989, it lost an estimated $3 million in its first year and $4 million the second. Ad pages fell from 80 a month in its early months to about 40 at the end.

With the recession deepening, *Fortune* and Mondadori executives met last summer to discuss *Fortune Italia's* future.

"It was the recession and lack of management attention" from Mondadori that led to the magazine's failure, Mr. Hayes said.

Now *Fortune* is redoubling its efforts in the pan-European, English-language niche. *Fortune International* is editorially similar to the U.S. *Fortune*, but with more international ads.

Mr. Hayes said the every-other-week *Fortune International* will increase its European rate base 4.3% to 120,000 with the January issue and is researching how to expand circulation.

Ad sales efforts are also being expanded and *Fortune International* will be repackaged to make it easier for international readers to understand, he said. □

CONSUMER MAGAZINE AD LINAGE

	September 1991	September 1990	Year-to-date 1991	Year-to-date 1990
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	128.0	137.0	1,153.9	1,323.9
Automobile Magazine C.	62.6	60.8	598.7	574.7
Car & Driver C.	107.3	126.3	953.5	965.7
Car Collector & Car Classics	26.0	21.0	200.0	191.0
Car Craft	54.4	64.6	539.8	627.2
Circle Track	69.2	70.8	730.5	735.5
Cycle	33.7	33.5	374.5	371.1
Cycle World	45.6	36.0	425.6	408.1
Dirt Rider	36.7	34.2	363.5	371.5
Dune Buggies & Hot VWs	83.4	80.1	640.6	652.0
Easyriders	37.0	33.9	348.2	252.7
Family Motor Coaching	158.0	194.3	1,462.7	1,532.6
Four Wheeler C.	77.7	81.8	694.9	745.4
Hot Rod C.	56.3	63.1	569.3	613.4
Motorcyclist	30.7	31.3	415.8	383.5
Motor Trend C.	56.2	66.7	622.1	668.7
Motorhome	80.3	95.8	734.9	861.3
Petersen's 4 Wheel	75.5	80.0	642.3	743.7
Rider	25.2	26.4	286.8	303.1
Road & Track C.	96.1	101.2	809.5	835.6
Trailer Life	82.0	106.1	746.9	837.5
Total Group	**1,421.9**	**1,553.9**	**13,313.8**	**13,998.0**
% change	**-8.5%**		**-4.9%**	
■ Boating & yachting				
Boating	84.7	105.8	845.1	1,117.2
Chesapeake Bay	26.0	35.0	286.7	384.0
Cruising World	93.1	113.8	898.5	969.6
Lakeland Boating (11X)	59.0	68.3	573.4	705.8
Motor Boating & Sailing	90.2	94.8	857.0	1,069.1
Sail	103.0	100.9	895.8	968.9
Sailing World	37.8	61.2	423.5	479.5
Trailer Boats (11X)	26.2	31.2	464.7	540.3
Yachting C.	149.0	152.4	1,037.2	1,213.8
Total Group	**669.0**	**763.4**	**6,281.9**	**7,448.2**
% change	**-12.4%**		**-15.7%**	
■ Civic/fraternal				
Elk (10X)	16.9	15.2	128.8	125.8
Kiwanis (10X)	19.1	18.8	147.7	136.9
Lion (10X)	8.2	9.3	64.4	43.0
Rotarian	13.5	20.0	133.6	141.8
V.F.W. (11X)	24.3	31.6	221.7	227.4
Total Group	**82.0**	**94.9**	**696.2**	**674.9**
% change	**-13.6%**		**3.2%**	
■ General				
American Health (10X) C.	34.3	29.6	231.3	327.8
American Heritage (8X) C.	37.1	63.7	241.8	262.4
American Legion	61.4	37.2	317.5	311.2
Archaeology (6X)	29.0	38.2	153.2	159.5
Art & Antiques (10X) C.	50.1	77.0	393.6	553.2
ARTnews (10X)	71.2	105.6	604.7	826.8
The Atlantic A. C.	62.2	77.5	444.7	475.4
Bon Appetit A. C.	71.1	74.9	631.4	728.5
Buena Salud	40.3	41.3	250.2	149.1
Cable Guide C.	27.4	31.2	224.8	245.4
Caribbean Travel & Life (7X)	49.7	48.0	272.6	202.7
Conde Nast Traveler C.	82.2	95.7	700.2	732.1
Connoisseur C.	41.0	72.3	355.3	493.3
Consumers Digest (6X) C.	25.2	32.2	111.6	130.7
Cooking Light C. (7X)	84.1	57.7	314.9	295.0
Country America (10X) C.	47.6	34.8	319.1	212.5
Departures N. America (6X)	—	—	214.9	161.5
Ebony C.	69.5	76.7	690.4	779.1
Endless Vacation (8X) C.	30.2	17.1	158.0	204.8
European Travel & Life (10X) C.	29.0	54.3	290.7	362.3
Food & Wine C.	44.7	57.6	380.2	487.3
Golden Years (6X)	42.4	40.6	155.1	173.5
Gourmet C.	91.6	107.6	756.9	860.3
Harper's Magazine A. C.	34.3	36.6	271.4	279.4
Islands (6X)	78.8	81.7	405.6	324.7
Kiplinger's Personal Finance C.	56.8	56.3	411.7	482.7
Let's Live	35.0	52.0	373.0	436.0
Life C.	26.5	60.2	346.0	482.3
Longevity C.	45.6	46.2	395.1	324.4
Mature Outlook (6X) C.	54.2	53.6	217.3	194.2
Modern Maturity (6X) C.	—	—	128.1	148.1
Money C.	96.0	92.7	828.0	876.7
National Geographic C.	25.4	21.4	208.6	195.4
National Geographic Traveler (6X) C.	45.3	40.1	214.0	224.3
Natural History C.	36.3	39.0	282.1	356.9
New Choices C.	31.1	43.2	231.4	257.3
Prevention C.	38.7	51.5	349.1	418.3
Reader's Digest A. C.	70.2	95.4	616.7	776.0
Sat. Evening Post (9X) C.	—	41.3	168.3	224.8
Smithsonian C.	61.4	79.8	589.2	678.0
Spin C.	67.2	43.9	415.9	374.1
Town & Country C.	134.5	194.8	704.0	1,070.0
Travel-Holiday C.	37.5	29.8	343.8	319.6
Travel & Leisure C.	126.2	135.2	932.0	990.9
Travelhost A.	142.1	139.8	1,116.2	1,113.5
Vanity Fair C.	173.4	197.4	888.9	961.1
The Walking Mag. (6X) C.	—	—	133.6	82.1
Yankee C.	58.3	76.3	485.4	552.8
Total Group	**2,596.2**	**2,978.8**	**19,268.2**	**21,277.8**
% change	**-12.8%**		**-9.4%**	
■ Home				
Architectural Digest A. C.	64.7	111.0	880.6	1,306.5
Better Homes & Gardens C.	109.3	102.3	906.8	909.9
Colonial Homes (6X) C.	—	—	187.0	188.7
Columbus Monthly-Homes (4X)	—	—	64.4	88.9
Country Home (6X) C.	—	—	233.7	228.4
Country Life (6X)	44.8	57.7	239.8	254.7
Country Living C.	89.0	92.2	685.7	794.8
Decorating Remodeling (6X) C.	—	56.7	246.3	294.7
Family Handyman (10X) C.	58.4	51.0	357.7	293.0
Flower & Garden (6X)	33.5	17.2	163.9	142.4
HG C.	93.6	100.8	616.2	720.0
Home C.	49.2	69.4	398.2	484.0
Home Mechanix C.	54.9	75.5	330.1	415.0
Horticulture (10X)	—	33.3	342.0	384.8
House Beautiful C.	82.0	66.7	517.7	531.5
Metropolis (10X)	45.7	60.5	362.3	419.1
Metropolitan Home C.	76.8	90.2	586.7	814.8
Midwest Living C.	—	—	275.9	277.8
Organic Gardening (9X) C.	45.7	53.8	338.3	319.6
Phoenix Home/Garden	68.2	82.5	442.4	569.4
Practical Homeowner (9X) C.	52.1	60.6	351.3	314.8
San Diego Home/Garden	57.1	65.8	552.6	638.3
Southern Accents (11X) C.	54.5	85.5	329.9	524.1
Southern Living C.	138.2	110.6	876.5	937.6
Sunset Magazine A. C.	107.7	99.5	1,015.0	1,084.3
Workbench (6X)	31.4	28.0	150.9	130.8
Total Group	**1,356.7**	**1,570.7**	**11,451.6**	**13,061.8**
% change	**-13.6%**		**-12.3%**	
■ In-flight & other passenger				
Aboard Group (6X)	34.3	43.3	184.6	211.6
Alaska Airlines	63.3	81.8	475.3	643.3
America West Airlines	63.8	94.7	573.8	718.7
American Way (24X) C.	197.1	171.6	1,119.6	1,273.4
Continental Profiles	41.7	43.1	350.3	446.5
Delta Sky C.	74.3	77.6	572.7	630.8
Pan Am Clipper	25.3	39.5	261.2	398.1
Southwest Spirit	55.8	53.3	492.0	478.1
Spirit of Aloha	33.3	32.0	314.6	308.7
TWA Ambassador (10X)	36.3	39.2	217.4	336.0
United Vis `A Vis	76.1	80.0	607.8	625.0
US Air Magazine	65.0	74.1	580.4	565.5
Total Group	**766.2**	**830.2**	**5,749.6**	**6,635.6**
% change	**-7.7%**		**-13.4%**	
■ Men's				
Esquire A. C.	131.8	131.9	623.3	879.7
Firehouse Magazine	44.6	34.4	382.5	346.8
Gentlemen's Quarterly A. C.	223.5	295.0	1,100.5	1,403.8
M Inc. C.	124.0	151.7	467.7	620.3
Men's Fitness	43.2	22.3	321.9	242.4
Men's Health (6X)	28.7	28.7	123.1	135.4
Muscle & Fitness C.	112.5	98.8	1,057.1	933.8
Penthouse A. C.	81.8	60.7	563.8	468.0
Playboy A. C.	64.8	63.5	541.0	505.5
Popular Mechanics C.	59.0	74.1	515.0	592.3
Total Group	**913.8**	**961.1**	**5,695.8**	**6,127.9**
% change	**-4.9%**		**-7.1%**	
■ Metropolitan				
Aloha (6X)	52.5	51.2	190.0	233.7
Annapolitan	47.1	59.3	357.5	578.3
Atlanta	77.5	80.0	621.3	651.2
Baltimore	42.7	48.0	402.1	507.2
Boston	82.6	116.6	698.8	914.8
Chicago	83.2	95.6	634.7	765.2
Chicago's North Shore	84.2	95.4	682.3	804.9
Cincinnati	36.2	60.2	281.7	361.2
Cleveland	55.4	42.9	367.2	392.4
Columbus Monthly	55.2	77.6	397.5	556.3
Connecticut	64.2	91.0	531.2	750.4
D/Magazine	51.1	50.1	437.7	489.8
Detroit Monthly	45.1	68.5	388.5	505.8
Diablo	53.6	52.0	494.2	600.2
Grand Rapids	29.0	45.0	226.7	308.1
Honolulu	64.5	56.1	456.4	500.7
Houston Metropolitan Magazine	69.0	66.5	561.3	580.2
Inside Chicago (8X)	22.4	30.2	99.1	141.0
L.A. Style	132.9	173.3	693.4	1,003.9
Los Angeles	102.1	121.9	851.7	1,218.7
Louisiana Life (6X)	38.9	29.2	149.7	150.1
Madison	48.0	44.0	308.0	410.0
Memphis	38.7	40.0	465.7	493.1
Mid Atlantic Country	72.9	72.6	493.9	439.7
Milwaukee	49.7	70.2	495.3	521.5
Minneapolis/St. Paul	94.5	116.0	750.1	902.0
Minnesota Monthly Magazine	58.6	64.4	465.6	567.8
New Jersey Monthly	47.0	71.2	403.2	594.4
New Mexico	37.1	44.0	381.2	394.3
New York Woman (10X)	43.0	69.7	233.0	331.4
Ohio	44.5	68.1	419.2	479.5
Orlando	67.6	68.3	750.2	808.6
Pacific Northwest (11X)	—	—	258.3	375.7
Palm Beach Life	14.8	46.8	313.4	514.7
Palm Springs Life	274.4	271.1	1,071.7	1,131.1
Philadelphia	113.0	110.3	946.2	1,113.4
Phoenix	32.2	29.6	247.8	319.7
Pittsburgh	54.2	56.8	551.9	573.6
Rhode Island Monthly	48.0	49.3	342.5	490.6
Sacramento Magazine	45.1	55.8	428.4	512.2
St. Louis	34.8	41.0	372.8	398.1
San Diego	92.7	136.1	870.1	1,176.0
San Francisco Focus C.	88.8	107.8	640.4	841.8
Sarasota (10X)	—	—	458.2	592.0
South Florida Magazine	51.6	61.4	424.2	721.0
Texas Monthly C.	113.5	123.4	947.4	981.3
The Washingtonian	103.2	137.0	848.0	997.4
Total Group	**2,957.2**	**3,465.2**	**23,409.2**	**28,694.9**
% change	**-14.7%**		**-18.4%**	
■ Music/entertainment				
Audio	67.1	85.8	634.7	738.5
Dance Magazine	46.3	46.8	482.3	477.3
Playbill	42.3	55.7	362.3	403.4
Premiere C.	58.3	59.6	490.6	548.3
Video Magazine	64.5	81.2	602.9	595.2
Total Group	**278.5**	**329.1**	**2,572.7**	**2,762.7**
% change	**-15.4%**		**-6.9%**	
■ Outdoor & sport				
Alaska	43.3	50.9	370.2	369.8
The American Handgunner (6X)	62.0	58.0	281.0	286.0
American Hunter	42.4	45.0	162.9	190.1
American Rifleman	32.6	36.3	197.0	223.2
Audubon (6X)	45.5	44.4	216.9	209.0
Backpacker (8X) C.	46.3	—	236.5	173.6
B.A.S.S. Times	17.8	7.8	133.9	135.2
Bassmaster (10X) A. C.	42.8	48.7	492.5	539.2
Bicycling (9X) C.	—	—	733.4	796.3
Body Boarding (8X)	38.2	54.1	200.7	245.2
Ducks Unlimited (6X)	58.0	44.6	158.3	148.7
Field & Stream C.	99.9	87.0	576.1	605.2
Fishing World (6X)	16.7	16.6	134.1	195.7
Flex	92.7	58.2	719.5	579.7
Florida Sportsman	76.3	81.5	918.4	1,106.0
Golf Digest C.	97.9	80.0	925.0	1,006.9
Golf Magazine C.	68.2	74.8	826.3	900.9
Guns	50.0	52.0	342.0	366.0
Guns & Ammo	39.0	50.5	322.6	406.6
In-Fisherman (7X)	33.0	30.0	380.5	386.2
Outdoor Life C.	72.6	91.6	548.8	605.7
Outside Magazine C.	79.9	65.7	626.7	558.8
Petersen's Hunting	64.3	74.9	337.6	400.0
Runner's World (12X) C.	35.9	57.8	415.8	348.9
Salt Water Sportsman C.	53.2	62.1	726.0	889.7
Shooting Times	48.8	47.2	283.4	288.8
Sierra (6X)	57.5	46.8	223.4	178.6
Ski (8X) A. C.	164.0	161.5	465.7	454.3
Skiing (7X) A. C.	167.5	187.5	397.1	417.5
Skin Diver C.	117.3	126.7	1,100.9	1,118.6
Southern Outdoors (9X)	62.6	51.5	309.8	318.6
Southern/Western Lnks (6X)	49.7	27.7	188.7	158.9
Sport Magazine C.	25.3	38.6	277.7	270.1
Sports Afield C.	68.1	81.4	545.7	597.6
Surfing	72.7	86.1	542.8	664.3
Tennis C.	94.5	94.3	563.7	577.6
Volleyball (9X)	36.3	29.2	206.8	57.5
Waterski (10X)	38.5	54.3	524.0	571.0
Western Outdoors (9X)	19.6	30.1	182.3	252.3
Wind Surfing (8X)	36.5	38.6	361.0	412.9
Total Group	**2,367.1**	**2,373.7**	**17,157.6**	**18,011.0**
% change	**-0.3%**		**-4.7%**	
■ Photography				
American Photo (6X) C.	56.7	47.7	259.6	241.5
Outdoor Photographer (10X)	30.8	28.6	218.9	212.4
Petersen's Photographic	47.9	24.5	324.2	218.0
Popular Photography C.	108.1	103.0	950.3	905.9
Total Group	**243.4**	**203.8**	**1,752.9**	**1,577.8**
% change	**19.4%**		**11.1%**	
■ Science/electronic/mech				
Home Office Computing C.	35.6	41.4	301.1	398.4
Omni C.	48.6	39.1	482.9	428.4
Popular Science C.	68.9	66.7	520.3	558.2
Scientific American C.	76.5	64.8	436.6	367.4
Spectrum C.	53.0	45.5	384.4	454.0
Total Group	**282.7**	**257.5**	**2,125.4**	**2,206.4**
% change	**9.8%**		**-3.7%**	
■ Woman/fashion/service				
Bride's Magazine (6X) A. C.	—	—	2,220.1	2,354.9
Child (10X) C.	62.0	61.8	399.3	390.9
Cosmopolitan A. C.	181.1	233.2	1,439.4	1,578.0
Elegant Bride (6X)	—	—	694.6	637.6
Elle C.	257.8	334.3	1,213.6	1,590.6
Essence C.	68.1	75.0	571.0	650.1
Family Circle (17X) A. C.	163.2	185.5	1,064.7	1,218.1
Glamour C.	198.1	228.6	1,237.7	1,375.3
Good Housekeeping A. C.	160.7	173.5	1,140.6	1,225.0
Harper's Bazaar C.	130.3	225.5	755.1	996.7
Imagen	85.5	104.0	638.8	782.5
Ladies' Home Journal C.	150.8	137.2	1,057.4	1,073.9
Lear's C.	49.6	60.6	339.0	459.4
Mademoiselle C.	154.7	205.4	972.4	1,153.9
McCall's C.	96.2	89.1	714.7	705.0
Military Lifestyle (11X)	71.8	86.7	482.1	557.8
Mirabella C.	130.8	154.6	560.4	751.7
Modern Bride (6X) C.	—	—	1,927.8	1,892.4
New Woman C.	75.9	87.7	547.0	673.1
Parenting (11X) C.	100.1	93.3	585.9	535.2
Parents Magazine A. C.	123.3	113.4	961.9	1,016.4
Redbook C.	106.7	143.1	771.5	853.4
Self C.	113.2	158.1	685.9	947.8
Seventeen C.	90.5	115.6	759.1	994.5
Shape C.	76.0	52.9	511.0	476.7
Soap Opera Digest (26X) C.	43.3	43.4	307.2	292.2
Teen Magazine	66.0	94.3	436.4	482.7
True Story A. C.	36.4	52.0	370.1	473.4
Victoria C.	46.6	54.9	353.6	387.4
Vogue C.	422.4	483.9	1,887.7	2,166.1
W Magazine (26X) C.	222.9	156.5	906.8	982.6
Weddings West (2X)	—	—	215.3	37.2
Weight Watchers C.	28.2	42.6	286.5	312.4
Woman's Day (15X) A. C.	160.6	85.8	903.1	984.9
Workbasket (6X)	25.3	21.1	126.4	76.4
Working Mother C.	62.2	75.9	481.0	541.0
Working Woman C.	82.6	144.8	591.9	735.5
Total Group	**3,843.0**	**4,374.1**	**29,216.8**	**32,362.6**
% change	**-12.1%**		**-9.7%**	
■ Youth				
Boys' Life C.	14.8	23.8	132.6	149.5
Campus Life (10X)	50.2	44.2	308.2	276.5
Total Group	**65.0**	**68.0**	**440.8**	**426.0**
% change	**-4.4%**		**3.5%**	
■ Business/national				
Barron's	150.8	172.8	1,111.8	1,275.7
Black Enterprise C.	63.0	52.1	682.3	699.7
Business Week (52X) A. C.	334.9	346.0	2,265.6	2,845.2
Economist (52X) C.	245.4	294.7	1,708.8	1,953.4
Entrepreneur C.	168.0	191.8	1,479.6	1,505.0
Entrepreneurial Woman (7X) C.	47.2	42.1	285.4	214.1
Financial World (26X) C.	48.3	80.4	464.6	751.3
Forbes (26X) C.	483.7	274.5	2,317.2	2,487.7
Fortune (26X) C.	297.1	304.5	1,940.9	2,320.4
Frequent Flyer	35.3	63.0	304.9	363.8
Futures	61.4	33.9	355.0	353.7
Harvard Business Review (6X) C.	50.8	73.3	253.0	302.8
Inc. Magazine C.	108.2	106.5	663.5	784.2
Income Opportunities	80.1	87.4	584.3	598.5
Industry Week (23X) A.	75.5	100.9	644.5	799.7
Nation's Bus. (12X) A. C.	28.6	26.2	216.4	219.5
Success C.	41.8	38.9	315.5	249.3
Total Group	**2,320.1**	**2,288.8**	**15,593.2**	**17,723.9**
% change	**1.4%**		**-12.0%**	
■ Business/regional				
Business Atlanta	26.0	40.0	395.5	570.4
Bus. First-Columbus (52X)	152.6	78.9	918.3	784.7
Bus. Jrnl.-Milwaukee (52X)	152.9	146.0	1,056.2	1,289.0
Bus. Jrnl.-Sacramento (52X)	89.5	72.4	731.6	797.2
Bus. North Carolina	31.5	41.8	287.3	371.8
Capital Dist. Business Review (52X)	96.4	88.5	703.2	635.7
Caribbean Business	83.9	109.2	860.7	1,083.3
Corporate Rpt. Minnesota	53.6	58.7	434.0	468.9
Crain's Chicago Bus. (52X)	127.1	152.2	967.5	1,246.4
Crain's Cleveland Bus. (52X)	148.0	154.0	532.8	664.4
Crain's Detroit Bus. (52X)	72.4	79.8	572.6	769.9
Crain's New York Bus. (52X)	72.0	64.0	534.0	576.0
Florida Trend (13X)	28.0	33.0	323.0	395.0
Georgia Trend	28.2	51.7	301.0	379.1
Grand Rapids Bus. Jrnl.	57.0	58.6	469.1	486.5
Hawaii Business	37.2	55.7	473.2	521.5
Houston Bus. Jrnl. (52X)	168.1	124.7	1,081.7	661.4
Indianapolis Bus. Jrnl. (52X)	165.5	155.9	1,187.2	1,370.1
Nashville Business & Lifestyle	16.9	36.9	178.1	317.8
New England Bus. (12X) A.	24.7	39.0	199.0	283.3
New Orleans City Bus.	78.5	52.2	698.4	497.2
Pacific Bus. News (52X)	135.9	109.3	1,006.6	959.9
Philadelphia Bus. Jrnl (52X)	134.7	124.7	745.3	803.4
Pittsburgh Bus. Times (52X)	95.3	102.3	535.4	878.0
Providence Business News	76.8	46.5	565.0	541.7
Regarde's/Washington (7X)	—	—	427.0	776.0
St. Louis Bus. Jrnl. (52X)	148.3	92.3	1,125.0	921.1
Warfield's/Maryland (26X)	82.7	74.8	507.7	536.8
Total Group	**2,383.5**	**2,243.0**	**17,816.3**	**19,586.6**
% change	**6.3%**		**-9.0%**	
■ National Sunday mags				
Parade (52X) C.	74.2	73.4	551.2	518.3
USA Weekend (52X) C.	66.3	75.7	488.7	500.1
Vista Magazine (12X)	16.3	35.5	131.1	186.2
Total Group	**156.8**	**184.6**	**1,171.0**	**1,204.6**
% change	**-15.1%**		**-2.8%**	
■ Newspaper Sunday magazine				
Boston Globe	107.6	140.7	996.1	1,385.7
Chicago Tribune	174.6	171.5	897.4	1,099.7
Cleveland Plain Dealer	59.2	87.6	391.5	543.2
The Dallas Morning News	57.9	77.7	410.8	480.0
Detroit Free Press	42.0	63.0	310.0	466.0
L.A. Times C.	114.2	83.7	669.2	671.2
New York Times Mag. C.	301.2	439.9	1,953.5	2,678.8
Philadelphia Inquirer	101.2	141.9	589.0	832.0
Seattle Times	95.0	105.0	623.0	720.0
St. Louis Post Dispatch	96.6	121.8	731.4	706.8
Toledo Blade Magazine	27.3	33.2	281.4	313.8
Washington Post	88.0	159.9	659.6	962.8
Total Group	**1,264.8**	**1,625.9**	**8,712.9**	**10,860.0**
% change	**-22.2%**		**-21.6%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	153.0	188.3	1,604.0	1,365.5
Army Times Military Group:				
Air Force Times (52X)	172.6	238.7	1,277.2	1,395.4
Army Times (52X)	166.1	230.0	1,245.7	1,386.3
Navy Times (52X)	179.0	250.1	1,333.9	1,474.0
Capper's (26X)	33.3	29.4	248.4	258.3
Commonweal (22X)	6.8	9.4	55.9	73.9
Entertainment Weekly (52X) C.	100.0	87.5	621.8	611.2
Golf World (41X) C.	64.7	62.6	1,206.1	1,200.6
Grit (52X) A.	36.6	46.4	280.9	335.8
Jet (52X) C.	108.9	95.5	779.4	769.9
National Journal (50X) C.	51.5	67.0	410.8	491.8
National Review (25X)	30.7	27.5	291.4	244.9
New Republic (48X)	37.4	45.1	336.8	336.0
New York Mag. (50X) C.	210.1	229.0	1,499.2	1,775.6
New Yorker C.	206.5	203.9	1,183.5	1,472.6
Newsweek (52X) A. C.	172.0	216.2	1,273.2	1,542.7
People (51X) C.	304.4	343.2	2,174.9	2,494.6
Rolling Stone (25X) C.	175.9	191.6	1,139.6	1,352.8
Sporting News (52X) C.	60.7	33.4	328.6	368.5
Sports Illustrated (52X) A. C.	210.1	245.8	1,540.9	1,806.7
Time (52X) A. C.	190.4	225.1	1,434.5	1,794.0
TV Guide (52X) A. C.	304.7	446.6	1,751.2	2,186.8
US Magazine (26X) C.	33.9	56.2	325.8	506.9
U.S. News & World Report (50X) A. C.	182.1	162.4	1,284.5	1,324.7
Total Group	**3,191.4**	**3,730.9**	**23,628.1**	**26,569.5**
% change	**-14.5%**		**-11.1%**	

NOTES: Linage is given in paid ad pages. (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and % change. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. *Ad Age* makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.